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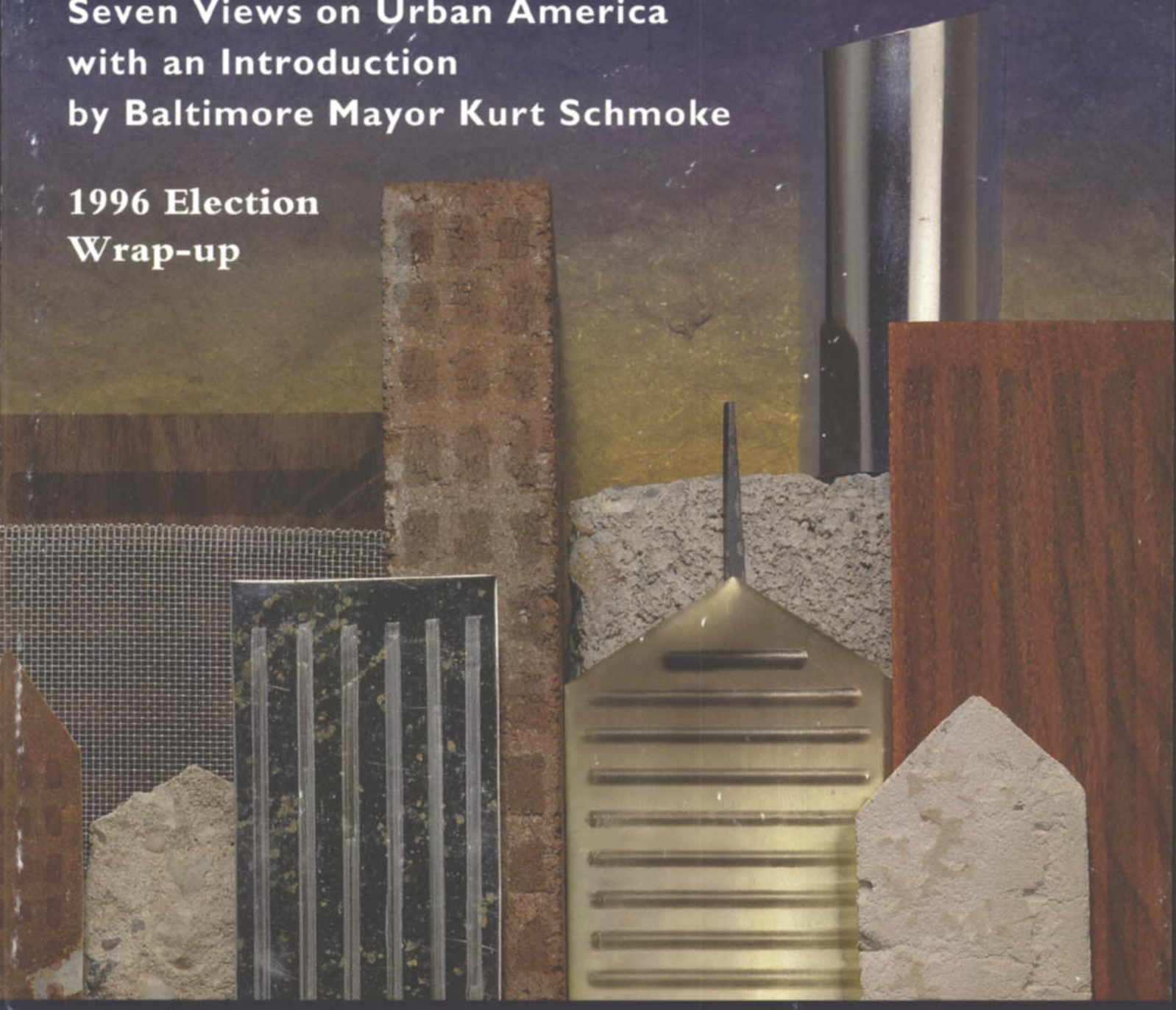
1996 Election
Wrap-up



15TH ANNIVERSARY ISSUE

WITH A BRIEF ESSAY BY ALICE M. RIVLIN

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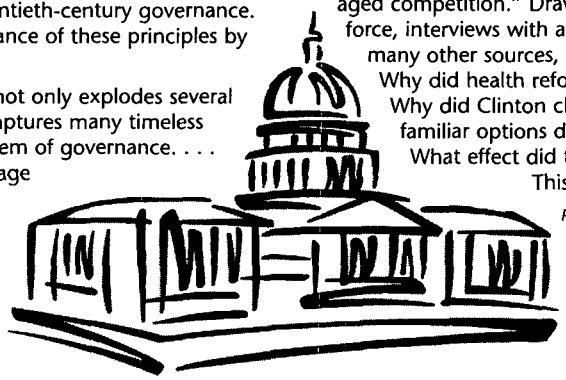

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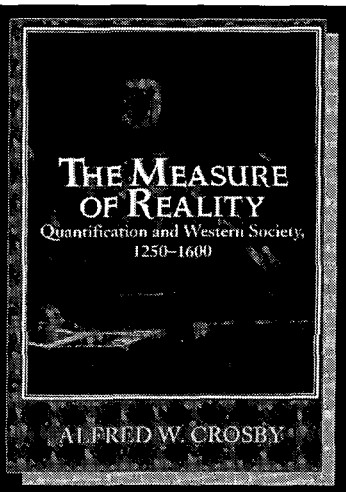

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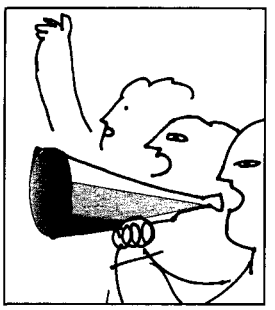

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No More Overpromising to the Elderly

■ In the fall issue of *The Brookings Review*, Charles Schultze ("Promises, Promises") warns us about our ability to generate economic growth through public policy. According to Henry Aaron and Barry Bosworth one page later ("The Budget Meets the Boomers"), if we reform Social Security and Medicare by mandating more government or private saving, we can generate enough economic growth to pay vast amounts more for programs for the elderly and near-elderly.

We should consider legal changes, including mandates, to increase government saving and private saving in pension plans. But in an already over-promised system, reform should focus *first* on matching government promises with the real needs and more certain resources of society. In particular, we should not overlook a resource we now waste: the extraordinary skills of the near-elderly, who today retire almost two decades before expected death. Physical capital and human capital are not pure substitutes. One simply cannot build enough steel mills to offset the economic impact of retiring so many people for so long a time.

The Congressional Budget Office tells us that our unfunded commitments to programs for the elderly will grow by about 6 percent of GDP by 2025 and 9 percent of GDP by 2050. Almost no matter how much faster GDP is made to grow, the same type of increase in *shares* occurs.

Why should we make this commitment for higher retirement benefits and more years in retirement, as opposed to, say, better schools for our kids or more police on the streets? The lifetime value of government benefits promised to an average couple in its mid-60s is around $1/2 million and rising. When Social Security was founded, the elderly had the nation's highest poverty rates. Today that distinction goes to the young. I have seen no one make the case that continuing to increase consumption in the last two or three decades of our lives, as scheduled under current law, is the best use of public money.

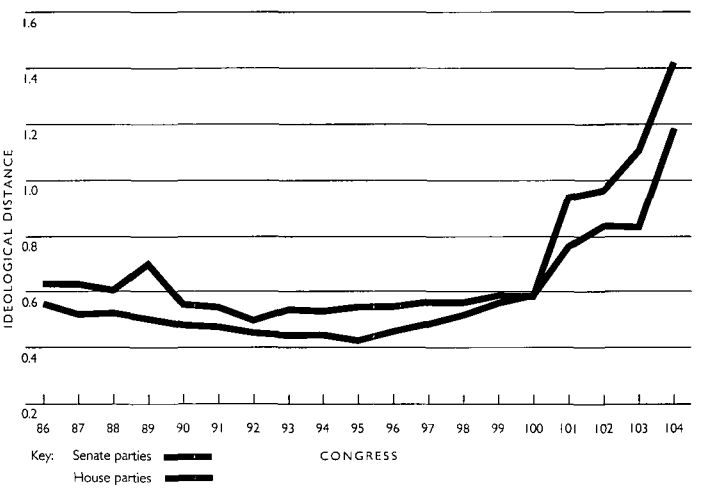
Shouldn't future voters and legislators at least be given greater freedom to make choices according to the needs of their times? Today, entitlement programs for the future elderly and and richer-than-average near-elderly have a very high, built-in growth rate that can be slowed only by a supermajority in both houses of Congress and the president. Discretionary programs have a very low, often negative, built-in growth rate that can be increased only by a similar supermajority. That is no way to set spending priorities.

Finally, it takes several leaps of faith to accept that extra gross deposits translate to increases in net investment translate to substantial increases in economic income translate to such increases being available for retirement and health programs. No sound budget policy should maintain promises on which government delivery is so uncertain and so preemptive of other actions. Yes, increase funding for retirement, but don't replace one set of excessive promises with another.

Eugene Steuerle, The Urban Institute

Correction: Because of a production error, figure 2 in Sarah A. Binder's article in the fall issue, "The Disappearing Political Center: Congress and the Incredible Shrinking Middle," was incorrect. The correct figure is shown below.

Figure 2. Ideological Distance between Congressional Parties, 1959–96



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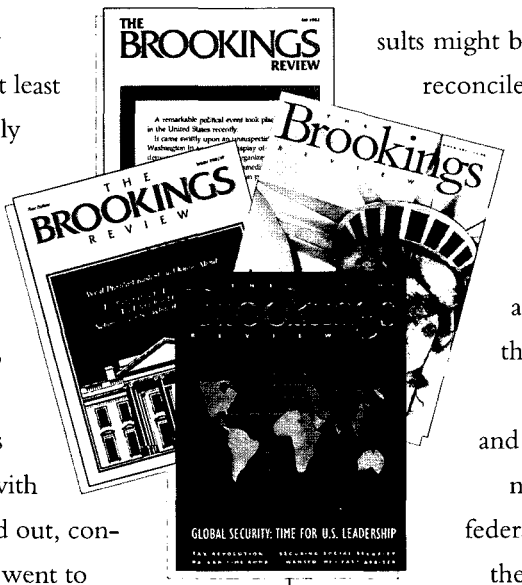
Happy Anniversary, *Brookings Review!*

BY ALICE M. RIVLIN



The 1996 election season—now blessedly behind us—proved at least one thing: the nation desperately needs the constructive public policy dialogue found in *The Brookings Review.* Candidates filled the airwaves with simplistic solutions to complex problems, contorted facts, misleading statistics, incredible promises, stinging slaps at each other's integrity, and warm and fuzzy poses with their own children. The public turned out, concluded they were being bamboozled, went to the polls gritting their teeth—or just stayed home.

Americans aren't dumb. They mostly recognize that public issues are difficult, that there are two or three or six sides to most questions, that if easy fixes were available, most public problems would have been solved long ago. It is not easy to balance the budget, bring peace to Bosnia, keep the economy growing as fast as possible without inflation, deliver high-quality health care at a price all can afford. It's not obvious how to finance political campaigns, preserve jobs and the environment at the same time, control terrorism, reduce poverty, make education more effective.

Slogans and attack ads don't produce the dialogue needed to weigh trade-offs and find solutions. Academic babble, equations, and buzz words don't help either. People can't come to grips with a problem until they have a clear, consistent statement of what the problem is, what might be done, who might benefit and who might lose, what the results might be, how different points of view might be reconciled. *The Brookings Review* aspires to do this in a fair, readable fashion.

Most Americans aren't extremists either. They don't want government to take over everything; they value freedom and self-reliance and private initiative. But they believe government has a role in solving problems, in assisting those in trouble and providing services the private sector cannot provide effectively or fairly. When the federal government closed down, even briefly, they were reminded of how many necessary things the government actually does.

Non-extreme solutions are inherently more complicated, harder to work out, dependent on balancing competing objectives. The Brookings Institution has been said to represent the full spectrum of opinion from H to Q. But that's where the public wants to look for solutions—not at the A and Z ends of the spectrum. *The Brookings Review* is the organ of fanatical moderates.

The Brookings Review has been contributing to the sanity of public dialogue for 15 years. May it flourish in the next 15!

Alice M. Rivlin is vice-chair of the Board of Governors of the Federal Reserve System. She has also served as director of the Congressional Budget Office and the Office of Management and Budget. In the intervals between her public service, she has had a long connection with Brookings as a senior fellow and as director of the Brookings Economic Studies program.

Fifteen years ago the Brookings Institution began publication of a new magazine that filled the gap between scholarly journals and popular journalism. Over 15 years this quarterly has made the work of Brookings scholars accessible to a wide range of readers and served as an authoritative source of information on critical public policy questions. This special issue on America's cities marks the beginning of *The Brookings Review's* 15th year. Throughout the year the *Review* will be bringing you the best of Brookings, with each issue focused on a particularly important area of public policy. The next issue will feature the foreign policy challenges facing the newly reelected Clinton administration. We welcome comments by phone (202-797-6257), mail, or e-mail (bszittya@brook.edu).

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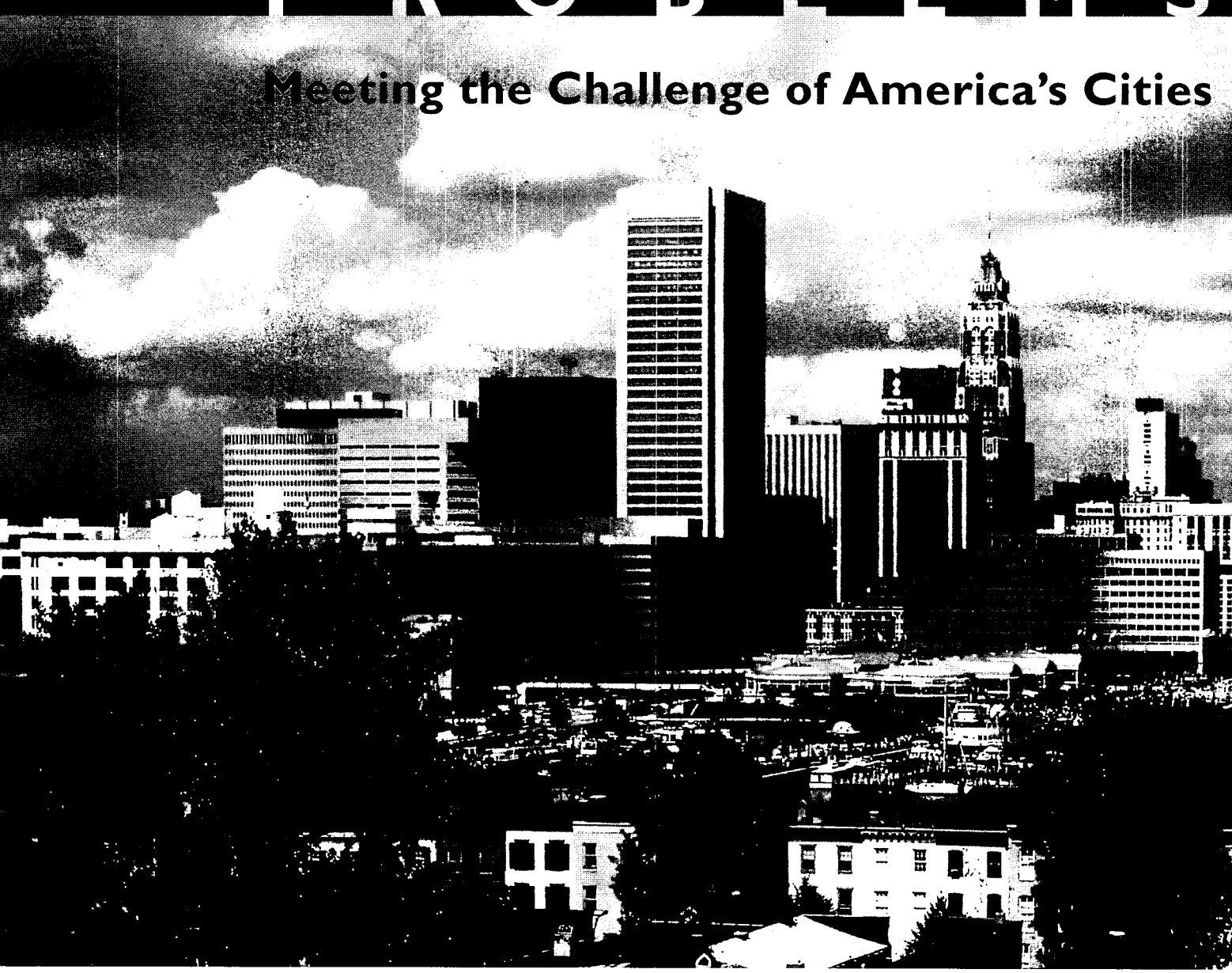
PROBLEMS

Meeting the Challenge of America's Cities



I commend *The Brookings Review* for devoting its winter issue to America's cities and for assembling such a distinguished group of contributors to address some of the challenges cities face. These articles provide new insights and information in the ongoing dialogue about the outlook for cities. Any such dialogue must recognize this singular reality: strong cities are essential to a strong America.

The authors of these articles *are* realists. They recognize the tremendous problems confronting our nation's cities, but, whether directly or by implication, they also recognize the tremendous promise cities hold as centers of expanding opportunity.

On the following pages, these diverse commentators share a number of pragmatic ideas on how to strengthen cities so that they can realize that promise. These ideas include: increasing the level of cooperation between cities and their inner and outer suburbs (Orfield); harnessing the power of the African-American church to redeem and renew distressed urban communities (Loury and Loury); working to increase African American–owned retail establishments (Rauch); applying lessons learned from the experience of stable integrated neighborhoods (Ellen); resisting simplistic ideas about private schools as "the answer" to inner-city education woes

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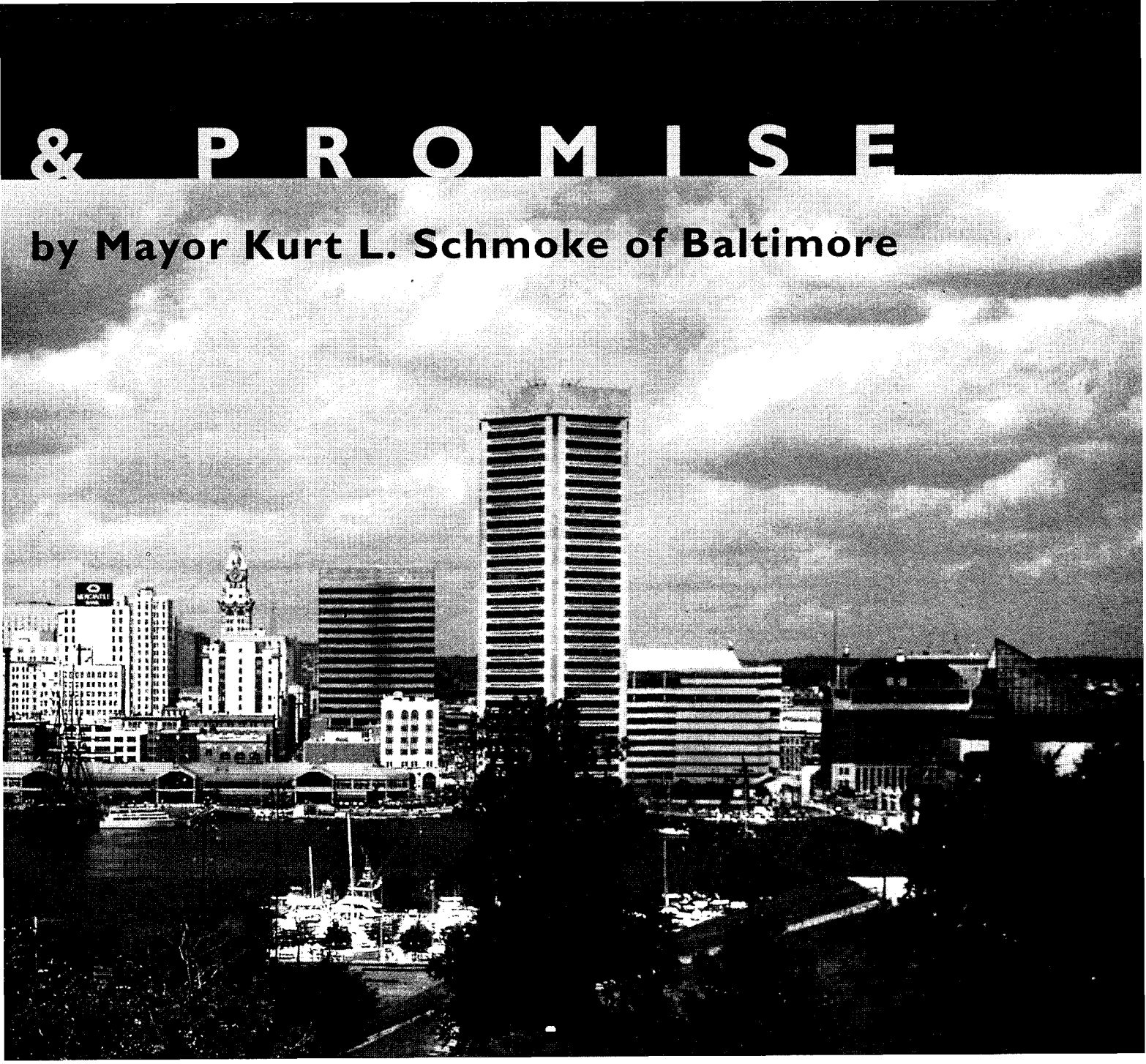
& PROMISE

by Mayor Kurt L. Schmoke of Baltimore



(Cookson); and making welfare reform work (Burtless and Weaver; Weir).

Like many big-city mayors, I view public-private partnerships and regional cooperation as essential to strengthening our cities and improving the quality of life they provide. The bottom line is that government cannot solve the problems of cities by itself. The problems are too daunting and the resources too meager. We need the assistance and involvement of the profit and nonprofit sectors. Moreover, because suburbs and cities are "joined at the hip," as Henry Cisneros has written, we must recognize the folly of trying to address city problems in isolation.

I am pleased, therefore, that these articles reinforce the importance of both public-private partnerships and regional cooperation. Consider James E. Rauch's plan to provide corporate support to link small-scale African-American retailers to independent buying agencies. Or Margaret Weir's suggestion that regional cooperation may help big cities cope with the increased burdens of welfare reform. Or Glenn and Linda Loury's challenge to African-American churches to take a more direct role in helping to change patterns of behavior among the urban poor that prevent them from taking advantage of opportunity. Altogether, it's a provocative read.

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MYRON ORFIELD

METROPOLITICS

Coalitions for Regional Reform

"It couldn't happen here." Not in Minneapolis–Saint Paul. We thought we were immune to the urban decline, inner-suburban decay, and urban sprawl that had blighted so many other American cities. We were reform minded. Our philanthropic and governmental centers were coordinated and responsive. But with the 1980s, the all-too-familiar patterns of metropolitan polarization—the push of concentrated poverty and the pull of concentrated resources—indisputably showed up right here at home.

Polarization begins with the initial concentration of poverty in the city core and the consequent disinvestment and middle-class flight. Waves of socioeconomic decline roll outward from the city center astonishingly fast, with deeply distressed communities, like disposable cities, marking their passage. Strict zoning rules and competition for tax base by developing fringe communities lead to wasteful, low-density overdevelopment. Spending on infrastructure, such as highways and sewers, in the developing suburbs drains more resources from the built community. The increase of property wealth in prosperous outer suburbs and the decline of property wealth in central city and inner suburbs represent an inter-regional transfer of tax base from some of the poorest and most troubled communities in American society to some of the most thriving and affluent.

Since the 1993 session of the Minnesota state legislature, a powerful reform coalition in the Twin Cities has been fighting back. Spurred by the advent of cheap, accessible cartographic software whose mapping of demographic and economic data graphically delineated their shared plight (see box, page 9), the central core, the older suburbs, and the developing low-tax-base suburbs on the periphery have joined forces. They have stretched across the metropolitan divide in support of a regional reform agenda that includes fair housing, property tax–base sharing, reinvestment, and revitalized regional governance.

The Push of Concentrated Need

During the 1980s, Minnesota's Twin Cities became the nation's fourth fastest "ghettoizing" region. Inner-city tracts with more than 40 percent of their residents in poverty tripled from 11 to 32; their population grew from 24,420 to 79,081. Surrounding these ghetto neighborhoods, "transitional" neighborhoods (between 20 percent and 40 percent of their people in poverty) expanded from 43 to 57 census tracts, from 102,682 to 153,700 people.

As it does in every city it visits, the residential concentration of poverty in the Twin Cities created social repercussions far greater than the sum of its parts. Physical separation from jobs and middle-class role models, as well as dependence on a dysfunctional welfare system, devalued education and work in the eyes of inner-city residents. Social isolation fostered what some experts have termed an "oppositional culture" and contributed to soaring crime.

By 1994, both Twin Cities' central cities were

Myron Orfield is a Minnesota state representative representing southwest Minneapolis. This article is drawn from Metropolitics: A Regional Agenda for Community and Stability *(Brookings, 1997).*

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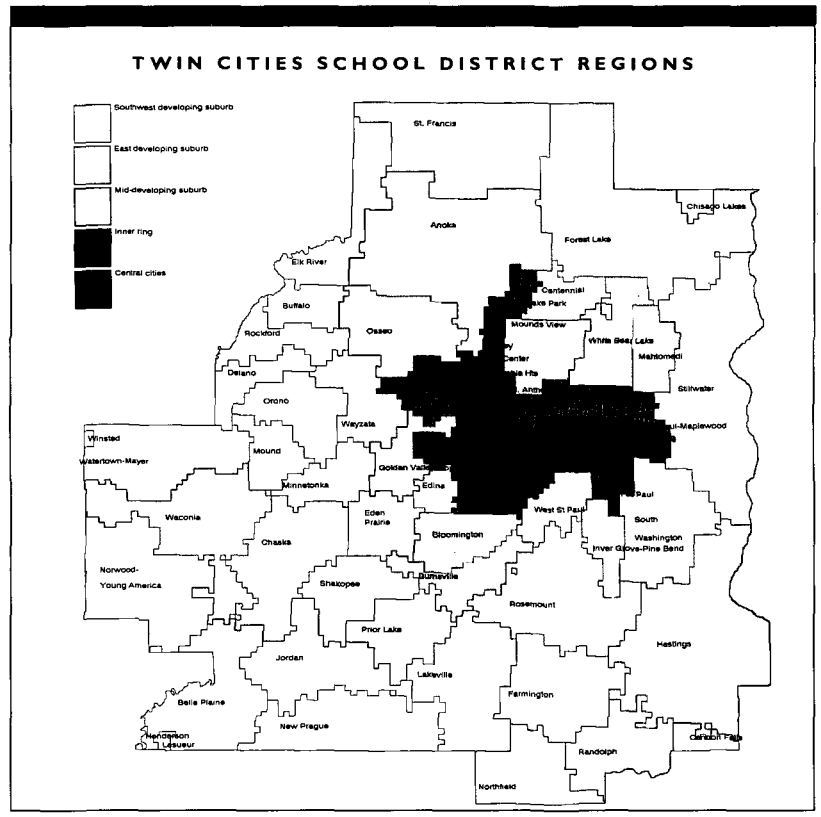

struggling under a disproportionate share of concentrated poverty—and racial segregation. More than half the children in the Minneapolis school system were on free or reduced-cost lunch. Minority student enrollment had risen to 59 percent. Saint Paul suffered the same lot. Both core cities lost one-third of their preschool white children.

Crime and joblessness soared. In the poorest neighborhoods of the Twin Cities, violent crime rates were 10 times the metro average, 30 times the suburban average. And as social needs multiplied in the inner city, the financial resources to address them dwindled. In Minneapolis, residential property around the expanding poverty core lost 10–25 percent of its value over a five-year period, and businesses decamped for the exclusive suburbs.

The chaos did not stop neatly at central-city borders but spread into working-class inner-ring suburbs. By 1994 most inner-suburban school districts were gaining poor children—and minority children—faster than Minneapolis. Eighteen of 29 inner-ring cities had lost large numbers of white preschool children. The inner suburbs were the only place in the region except the city core where crime was increasing. And lacking the central city's business district and elite neighborhood tax base, social welfare and police infrastructure, and organized political network, the inner suburbs faced prospects even bleaker than those of the core cities.

The Pull of Concentrated Resources

At the edge of the Twin Cities metropolitan region, the most prosperous developing communities used restrictive zoning to exclude "undesirables" and build a broad, rich tax base to keep services high and taxes low. The "favored quarter" (a term coined by the real estate industry) dominated economic growth. During the 1980s the Twin Cities' prosperous southern and western edge suburbs, with 27 percent of the region's people, had 61 percent of the region's new jobs. They also enjoyed the region's largest property tax base growth. Two communities in particular, Eden Prairie and Minnetonka, together had the same commercial-industrial tax base as Saint Paul ($1.5 billion), but only one-third as many residents and, unlike Saint Paul, virtually no poor people. Southwestern suburban schools enjoyed insulated, stable prosperity and high achievement. Neighborhood crime rates, already low, steadily declined.

But these neighborhoods are closed to all but the prosperous. The zoning practices of the southwestern suburbs—almost no new apartment buildings, large lots for single-family homes, and other regulatory barriers—prevent lower-income workers from reaching for opportunity and keep the marketplace from responding to their quest for affordable housing. Not surprisingly, a metropolitan mismatch has developed between where the jobs are and where the people who need them are. More and more people are bused—on what one worker riding them dubbed "Soweto Expresses"—from the city to minimum-wage jobs in the southwestern suburbs. Thousands of jobs go unfilled for lack of workers.

What's more, over the past two decades, state, metropolitan, and local governments in Minnesota have spent billions of dollars building freeways and sewer systems in the Twin Cities' southwestern suburbs. Of the $1.1 billion spent during the 1980s on new highways for the entire metropolitan area, 75 percent went to the southwestern suburbs. In

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In an ideal world, regional reform, as envisioned by the experts, would grow naturally out of popular consensus emerging from a broad regional perspective based on the common good. But the common good and the regional perspective, like truth, beauty, and justice, do not exist in some ideal form.

addition, in the mid-1980s, the state legislature adopted a system of sewer financing by which the core of the metro region subsidized the construction and operation of new sewer capacity in the most exclusive suburban areas. By 1992, the central cities were paying more than $6 million a year to help move their middle-class households and businesses to the edge of the region.

But not all the communities on the periphery are doing so well. Opposite the favored quarter lie blue-collar developing suburbs. They too tried to win the fiscal zoning battle. But instead of expensive housing and commercial industrial properties, they had to settle for modest homes, apartment buildings, and trailer parks, and few businesses. The patterns of metropolitan polarization played a cruel joke on these middle-income families. Fleeing the breakdown of the central cities and inner suburbs, they arrived in rapidly growing school districts with small tax bases. The results are poorly planned, badly functioning communities. Their schools, for example, have some of the highest drop-out and lowest college attendance rates in the Twin Cities region.

A Regional Agenda

The forces of metropolitan polarization exact immense costs in terms of human and governmental waste, an overtaxed and overregulated business climate, environmental destruction through poor land use, and balkanization of political life. Although polarization takes its toll on cities as a whole, the spotlight most often shines on the havoc wreaked on the inner cities.

Traditionally both Democratic and Republican policymakers have tried—the former through government-aided empowerment, the latter through private strategies to impose discipline—to solve the problems of America's inner cities *in place* by turning their disadvantaged residents into more successful, more middle-class people. Most people agree that a strong middle-class presence is indeed necessary for healthy, stable communities. But transforming dense clusters of poor people into middle-class people is extraordinarily hard. The difficulty is not poor people themselves, but the unnatural concentration of poverty and the attendant flight, disinvestment, and crime. Only by deconcentrating poverty can these other problems be addressed.

Deconcentration helps solve the problems of poverty on two levels. For individuals, it opens access to opportunity in the form of jobs, unstressed schools, and adequate local services. For a community, it breaks poverty down into more manageable pieces. By alleviating overwhelming social and fiscal stress on cities and older suburbs, it stabilizes community decline and creates metropolitan stability.

Most of the nation's urbanologists know what needs to be done to deconcentrate poverty. Regional reform in fair housing is the first step. The regulatory barriers to affordable housing in prosperous edge suburbs must come down. Once affordable housing is built at the metropolitan periphery, the expansion of the urban and suburban distressed areas will slow and ultimately stop. And a little "pull" in terms of affordable housing continually achieved at the edge of a metropolitan area can make a huge difference. In a study of 40 of the nation's largest cities, Brookings's Anthony Downs found that if 5 percent of the new development in the 1980s had been set aside for subsidized housing, it would have allowed almost 13 percent of the inner-city households in distressed neighborhoods to move to developing, job-rich communities. Over several decades, progress could be considerable.

A second, and complementary, step is property tax–base sharing. For example, a certain portion of commercial, industrial, or residential property taxes on high valued homes could be shared regionwide. As long as basic local services are dependent on local property wealth, property tax–base sharing is a critical component of metropolitan stability. Its purposes, all interrelated, are fivefold. Property tax–base sharing: (1) creates equity in the provision of public services, (2) breaks the intensifying metropolitan mismatch between social needs and property tax–based resources, (3) undermines local fiscal incentives supporting exclusive zoning, (4) undermines local fiscal incentives supporting sprawl, and (5) ends intra-metropolitan competition for tax base.

Part of the revenue could go into a redevelopment fund to increase housing opportunities in the suburbs and help the market rebuild the core. The fund would be a self-correcting solution to the problem of regional investment skewed disproportionately to the wealthiest suburbs, for the wealthy communities that have gained the most from recent regional infrastructure investment would be the largest contributors to the fund.

The redevelopment fund could be used to construct a variety of market-rate housing in affluent communities for households earning more than 50 percent of the metropolitan median income. For those earning less, the market will not, by itself, provide opportunities. Outside resources will be needed to underwrite low-income housing—based on a system of portable rental vouchers and scattered as broadly as possible to forestall mini-concentrations of poverty.

Finally, these steps toward deconcentration and revitalization should take place as part of a regional

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master plan approved by a regional governing agency or, in its absence, by the state legislature.

Metropolitics

In an ideal world, regional reform, as envisioned by the experts, would grow naturally out of popular consensus emerging from a broad regional perspective based on the common good. But the common good and the regional perspective, like truth, beauty, and justice, do not exist in some ideal form. In the end the closest approximation to a regional perspective comes from a fair contest of ideas, values, and perspectives among the elected representatives of the people. From these contests, real reform can emerge, but the process is always hard and often controversial.

Pundits have argued that regional reform of the nation's metropolitan areas is impossible because of the political dominance of the suburbs. While suburban dominance is as much in evidence in the Twin Cities as elsewhere, it is also true that the region's suburban communities are not a monolith with common experiences and political needs. Indeed, what prompted the building of the Twin Cities reform coalition was the discovery of the commonality of interests between the city core and the inner and low tax-base suburbs.

America's working-class suburbs have been a loose cannon politically since Hubert Humphrey lost the White House in 1968—and since Archie Bunker became a Republican. As E. J. Dionne, Stanley Greenberg, Kevin Phillips and others have noted, these communities are central to holding and maintaining a ruling political coalition nationally. They also hold the balance of power on metropolitan issues.

On the merits, these blue-collar suburbs are the biggest prospective winners in regional reform. To them, regional fair housing policy means, over time, fewer units of subsidized housing crowding their doorstep. Property tax–base sharing means lower property taxes and better services, particularly better-funded schools. Once understood, this combination is unbeatable.

In 1993, after two years of constant cajoling and courting—and after constant reminders of the growing inequities among the suburbs—the Twin Cities' working-class suburbs joined the central cities and created a metro-majority coalition in the state legislature. In 1994, the coalition passed the Metropolitan Reorganization Act, which placed all regional sewer, transit, and land use planning under the operational authority of the Metropolitan Council of the Twin Cities. In doing so, it transformed the Met Council from a $40-million-a-year planning agency to an $600-million-a-year regional government. In both 1993 and 1994, the legislature passed sweeping fair housing bills. Both were vetoed by the Republican governor, but in 1995 a weakened version was finally signed. In 1995, the legislature also passed a bill that significantly increased the existing regional tax-sharing system known as "fiscal disparities." That bill too was vetoed.

The legislative road has been controversial and bumpy, but the reform movement is growing. In 1994, regional churches, environmental groups, communities of color, community development agencies, and other good-government groups formed the Alliance for Metropolitan Stability. As the alliance gains visibility and develops a common language and agenda, the potential for broad-based regional action increases.

The lessons learned in the Twin Cities are transferrable. Policymakers who face rapid polarization in metropolitan communities elsewhere can take advantage of them as well. The local coalitions that are beginning to take action in the Twin Cities can be built over and over again. ■

A Map Is Worth a Thousand Words

Early in the 1990s I began collecting statistics on the Twin Cities region. Everything I saw told me that the city core, the inner suburbs, and blue-collar suburbs on the periphery were in decline, losing jobs and property tax base to the developing suburbs to the south and west. To make matters worse, conversations with planners revealed that the poorer urban areas were subsidizing the building of new highways and sewerage systems in the developing suburbs. I knew what I was talking about, but no one wanted to hear me.

In late 1992, with $750 of my own money, I invested in Datanet Mapping, a primitive piece of geographic information system software. The Speaker of the Minnesota House of Representatives, Dee Long, assigned me a staff member one day a week to help collect and interpret census and agency data concerning regional school enrollment, property taxes, and infrastructure spending. By early 1993, I had developed a series of color maps that illustrated the region's changing demographics, particularly the inner-suburban decline and regional polarization. Suddenly I had an audience. I gave more than 70 speeches based on my maps in 1993, more than 100 in 1994. I was so busy talking to people that I could not keep up with requests for my maps and gave them to the State Planning Agency to be reproduced and distributed. As of 1994, the state of Minnesota had sold more than 4,000 sets of regional demographic maps.

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Not by Bread Alone

The Role of the African-American Church in Inner-City Development

Glenn C. Loury
and
Linda Datcher Loury

Deep social problems continue to plague inner-city America. Fashioning a response to the scourge of drugs, gangs, violent crime, unemployment, AIDS, failed schools, fatherless families, and early unwed pregnancy is among the most serious domestic policy challenges confronting the nation today. Some attribute these problems solely to structural causes. But a key aspect of the problems is the patterns of behavior that have emerged among young men and women in inner-city communities that limit their ability to seize existing opportunity.

While social analysts agree that these behaviors must change if progress is to occur, they disagree fundamentally about how to accomplish such change. For some, the intensification of pathological behaviors among the urban poor is due to the lack of economic opportunities; for others, it is the result of disincentives created by various welfare programs. Though sharply different in their policy implications, these two positions have something important in common. Each assumes that economic factors ultimately drive the behavioral problems, even behaviors involving sexuality, marriage, childbearing, and parenting, which reflect people's basic understanding of what gives meaning to their lives.

A different view of these matters takes off from the biblical injunction, "man must not live by bread alone." From this perspective, the values, attitudes, and beliefs that govern a person's behaviors are at least partially autonomous, leaving open the prospect that communal agencies of moral and cultural development might change the way individuals conduct their lives. Since religious institutions are primary sources of legitimate moral teaching in our society, this point of view suggests that significant positive change may be possible if inner-city churches can reach individuals, engage them in the activities of the church, and thereby help transform their lives.

This suggestion raises interesting issues of theory, of evidence, and of ethics for students of social change. Setting aside appeals to divine intervention, the question arises as to what are the characteristics of religious institutions that, in principle, might make them effective instruments of behavior modification and that are not present in secular settings. Also, what evidence supports the claim that the scope of church involvement in the inner city, and its impact on the behavior of churchgoers, is large enough to potentially make a real difference in these communities? Moreover, instrumental calculations aside, one might ask why churches, in particular, should be charged with the awesome responsibility of helping to achieve renewal in our society's most desolate backwaters.

Each of us, both as scholar and as citizen, has been interested for some time in the idea that religion might promote development in low-income communities. Recently we have been investigating it more systematically. This essay reports on some of our findings and opinions in this critical, but as yet little explored, area of social policy studies, relative to the questions of theory, evidence, and ethics raised above. It is hardly our last word on the subject.

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Not a Task for Government

Arguably, encouraging "good behavior" means making discriminations among people based on assessments that are difficult, legally and politically, for public agencies to make. Discerning the extent to which particular people have risen to, or fallen short of, our expectations in the concrete, ambiguous circumstances of everyday life is a nontrivial task. If promoting "virtue" necessitates setting, communicating, and enforcing standards, then it requires a high level of knowledge about a person's circumstances and an ability to draw fine distinctions among individual cases based on that knowledge. Both the informational demands of this activity and the requisite authority to act on what information is available will often exceed the capacity of governmental actors, since citizens have procedural protections and privacy rights that cannot and should not be abrogated. Publicly enforced judgments must be made in a manner consistent with these rights.

Voluntary civic associations, as exemplified by religious institutions, are not constrained in the same way or to the same degree. A government agency, when trying to assess whether a welfare recipient has put forward adequate effort toward achieving self-sufficiency, is forced to rely on information like a caseworker's observations and self-reports of the recipient. Any attempt to limit assistance because the recipient failed to try hard enough would stand up to subsequent judicial review only in the most egregious of cases. Yet families and communal groups providing help to the same person would typically base their continued

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assistance on a much richer (and, admittedly, often impressionistic) array of information. They would discriminate more finely than a state-sponsored agent ever could between the subtle differences in behavior among individuals that constitute the real content of morality and virtue.

Moreover, in a pluralistic society public agents must be neutral in areas where private citizens differ sharply among themselves as to which set of values is the "correct" one. Publicly enforced judgments necessarily reflect a "thin" conception of virtue, weak enough to accommodate the underlying diversity of values among the citizenry, to be contrasted with the "thick" conceptions characteristic of the moral communities in which we are embedded in private life. Thus, introducing into the public schools in any large city a curriculum of sex education that teaches the preferability of two-parent families might be resisted by educators who would cite the great number of their students from single-parent backgrounds. But what if these are the students most in need of hearing the authoritative expression of such a value judgment? In a parochial school context, such a possibility well might affect the design and implementation of a sex education curriculum.

Consider the fact that some (one hopes, few) young mothers are not competent—for emotional and intellectual reasons—to nurture their children. In such circumstances, the autonomy of the parent-child relation must somehow be breached if the children are to have a decent shot at developing their God-given talents. Although this is difficult ground, there clearly are circumstances in which, to prevent significant injustice to children, we have somehow to get inside the family sphere and get our hands on the lives of these youngsters. Where does the authority—the standing—come from for that kind of intervention to take place? The government's doing it is deeply problematic. Yet faith-based communities, where participation is voluntary and social relations among members are close, can in some situations exercise that authority.

The Role of Religious Communities

Assume for the moment that religious communities do have a unique role to play in the socioeconomic development of low-income areas. What has been their performance to date? Hope for a substantial church role rests in part on the fact of widespread religious participation in the United States. The existing literature documents that more than half of all Americans regularly attend church or are church members. This level of participation and the relative strength of the various denominations appear not to have changed much for at least 20 years. In addition, the bulk of the literature on church attendance concludes that any fall in participation has been mainly among young people with relatively high social status and thus would not affect urban low-income populations. Indeed, studies of racial differences in church participation uniformly find that blacks participate at a greater rate than whites.

Ultimately, social science cannot justify what we see as an ethical imperative.

Nevertheless, a sober review of the evidence does not support the view that inner-city churches are now having a substantial impact on the quality of life in low-income communities by altering the socioeconomic status of individual church members. (We say this despite the many examples of outstanding urban ministries doing excellent work in particular communities.) For example, while overall church attendance is higher among blacks than whites, it is relatively low in urban areas, especially in the central cities of the North, where much of the low-income black population is concentrated. Also the fastest growth in church membership for blacks (and for whites) over the past two decades has been among Baptists and other, more conservative religious groups whose members have fewer years of schooling than those of other denominations even after differences in the nonreligious characteristics of members are taken into account. Studies of the effects of religiosity on income and schooling invariably find only small positive effects.

We want to stress that the existing literature is unsatisfactory in a number of ways. More direct measures of "religiosity" are needed to determine whether behavioral effects exist. Furthermore, only a few studies can break down their results by race and socioeconomic status; yet there may be important differences across groups. To illustrate, if the social networks of poor black families are less dense than those of others, the effects of any particular social connection might be magnified. Also, if children from more advantaged families acquire beneficial skills or attitudes inside their household, while children from poorer families are relatively more dependent on beneficial external influences, then the potential of religious institutions to play an important role in the inner cities will be underestimated. We therefore urge caution in extending to low-income urban populations the findings of a small effect of religiosity on behavior obtained from aggregate samples.

We are well aware of the knotty problem of inferring causality in this area of research. While it is certainly plausible that religiosity favorably affects work, education, and other behaviors, these behaviors may themselves affect religious commitment and participation. Moreover, measures of religiosity may also be correlated with unobserved nonreligious traits that affect, say, years of schooling. One of us has tried to address these problems in a study of the effect of religious participation on schooling using the National Longitudinal Survey of Youth. That study looked at how church attendance during the senior year of high school affected the total years of schooling ultimately completed, relying on differences in the effects of church attendance before, during, and after the senior year to control for any spurious correlations. We found that church attendance during the senior year of high school adds about 0.2 years to total schooling for white women and for blacks, but had no significant effect for white men. We construe this as modest evidence that church attendance may alter behavior in a constructive way.

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Beyond Social Science

Ultimately we do not believe that social scientific evidence can justify what we see as an ethical imperative for institutions of faith, rooted in urban black America, to work toward the redemption and reconstruction of these communities. It is perhaps worth recalling that, as an historic matter, the religiosity now so widespread among black Americans grew out of the experience of slavery. People were driven by brute circumstance to create among themselves a culture with spiritual and moral depth of heroic proportion. They simply had no choice. The brutality of the assault they endured—on their persons, their relations one with another, and their sense of dignity and self-respect—was such that either they would be destroyed as moral beings or they would find a way, through faith, to transcend their condition. That "man must not live by bread alone" was for them more than a theoretical proposition. Grasping the truth of that proposition was their key to survival.

These moral and spiritual values proved profoundly significant in the post-slavery development of black Americans. A spirit of self-help, rooted in a deep-seated sense of self-respect, was widely embraced among blacks of all ideological persuasions well into this century. They did what they did—educating their children, acquiring land, founding communal institutions, and struggling for equal rights—not in reaction to or for the approval of whites, but out of an internal conviction of their own worth and capacities. Even acts of black protest and expressions of grievance against whites were, ultimately, reflections of this inner sense of dignity. The crowning achievements of the civil rights movement—its nonviolent method and its successful effort at public moral suasion—can be seen as the projection into American politics of a set of spiritual values that had been evolving among blacks for more than a century.

Jesse Jackson, Sr., teaches young blacks the exhortation, "I *am* somebody," and this is certainly true. But the crucial question then becomes, "Just *who* are you?" Many of our fellow citizens now look upon the carnage playing itself out on the streets of ghetto America and supply their own dark answers. The youngster's response should be: "Because I *am* somebody, I waste no opportunity to better myself; I respect my body by not polluting it with drugs or promiscuous sex; I comport myself responsibly, I am accountable, I am available to serve others as well as myself." It is the doing of these fine things, not the saying of any fine words, that teaches oneself and others that one is somebody who has to be reckoned with. But who will show the many hundreds of thousands of black youngsters now teetering on the brink of disaster how to *be* somebody?

One finds a precedent for the huge task we face in the Old Testament book of Nehemiah, which begins as follows:

> Churches must work toward the redemption and reconstruction of urban black America.

"Hanani, one of my brethren came, he and certain men of Judah; and I asked them concerning the Jews who had escaped, who were left of the captivity, and concerning Jerusalem. And they said unto me, The remnant that are left of the captivity there in the province are in great affliction and reproach; the wall of Jerusalem also is broken down, and its gates are burned with fire. And it came to pass when I heard these words, that I sat down and wept, and mourned certain days, and fasted and prayed before the God of heaven."

"The wall is broken down and its gates are burned with fire." This metaphor of decay and assault is an apt one for our current ills. We are invited to think of a city without walls as one with no integrity, no structure, subject to the vagaries of any passing fad or fancy. We imagine the collapse of civil society; the absence of an internally derived sense of what a people stand for, of what they must and must not do. With the wall broken and its gates burned, anything becomes possible.

In the biblical account Nehemiah heroically led the Jews of Jerusalem to renewal. He went to the Persian king whom he served as cup bearer, secured provision, and returned to Jerusalem, where he rolled up his sleeves and went to work restoring the *physical integrity* of the environment, but also presiding over a *spiritual revival* amongst the citizenry.

Now, let us relate this to our overarching theme, lest you think you are about to read a sermon. (We are fully capable of sermonizing on this subject—that our second son's name is Nehemiah is no accident.) Nehemiah, a Jew, was specifically concerned about his people. His work, the reconstruction of civil society, could only be undertaken, as it were, "from the inside out." He dealt in the specific and concrete circumstances confronting the Jews. He did not deal only in abstractions. He made himself present among those for whom he had a special affection, toward whom he felt a special loyalty. His is not so bad a model.

In the inner-city ghettos today "the remnant there are in great affliction and reproach." For the civic wound of black alienation to be fully and finally bound, a great deal of work must be done in these communities. We blacks are connected— by bonds of history, family, conscience, and common perception in the eyes of outsiders—to those who languish in the urban slums. Black politicians, clergy, intellectuals, businessmen, and ordinary folk must therefore seek to create hope in these desolate young lives; we must work to rebuild these communities; we must become our brother's keeper.

To say this is, of course, not to absolve the broader American public of its responsibility to formulate decent and prudent social policies aimed at assisting all who languish on the social margins, regardless of race or creed. The ultimate goal is for the sentiment that we must become our brother's keeper to become more widely shared. Yet when reflecting on the role that churches can play in renewing civil society among the urban poor, we find moral considerations such as those set out here to be, unavoidably, an important part of the dialogue that is now so desperately needed. ■

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EMPTY STREETS

How Building Networks Can Put More Black Retailers in City Neighborhoods

by James E. Rauch

Retail trade is a well-traveled path to economic success for many Americans. It is the second largest industry group within the nation's thriving small business sector, employing 14 percent of the sector's entrepreneurs and 25 percent of its paid employees. Forty percent of Americans' first jobs are in retailing. Because it is a business that requires relatively low capital investment per worker, retail trade offers not only jobs but entrepreneurial opportunities for people of modest means.

Retail trade also makes an essential contribution to community economic health. A strong retail sector keeps streets bustling and safe. It prevents the blight of vacant commercial space. And, not least, it makes life more convenient for community shoppers.

Although black Americans account for just over 12 percent of the U.S. population, they account for only 3.5 percent of the nation's retail trade entrepreneurs. Black retail trade entrepreneurs are also less successful than U.S. retail trade entrepreneurs overall. Excluding large businesses, sales per black firm are roughly $80,000 compared with $292,000 for white firms. And less than 14 percent of black firms have paid employees, compared with 29.1 percent for white firms.

The absence of black retailers affects black communities as well as individuals. In 1994 Columbia University conducted a survey of northern Manhattan between 110th and 175th Sts., a community that is 72 percent black and 16 percent Hispanic. The survey showed that more than 70 percent of residents shopped elsewhere for clothes and shoes, electrical appliances, furniture, and gifts. While much of the absence of retail business from such communities surely reflects their unattractiveness for retailers, the dearth of local retail entrepreneurs is also a factor.

I recently spent 10 months in New York City learning first hand about the retail trade business, particularly stores specializing in apparel and accessories. On the basis of my field work I propose a plan to improve the health, and possibly increase the number, of black retail establishments. Because black-owned businesses are more likely than white businesses to hire black workers, my plan could help to increase black employment and rejuvenate faltering black communities, not just in New York, but nationwide.

Why So Few Black Retailers?

Many people attribute the paucity of black retail establishments to the difficulty blacks have in obtaining access to capital. It is true that redlining and other forms of discrimination by banks have been widely documented. But commercial banks are not the only

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source of financing available to black small businesses. Particularly since the 1960s numerous government programs have been providing capital to minority-owned business. Nevertheless, black Americans continue to be badly underrepresented in retail trade.

A more compelling explanation for the shortage of black retailers involves the nature of the retail trade market. In markets for homogenous products such as metals or grains, the "invisible hand" links buyers with sellers almost costlessly and automatically. But markets for the highly differentiated products typically involved in retail trade are more complicated. The producer of a particular variety of footwear is not automatically matched to the retailer whose customers might want those shoes. How is a shoe retailer to know about all available varieties and brand names of the footwear he might wish to sell to his particular clientele and how to find the best deals on those products? How are wholesalers to reach all the buyers that form their particular market niche? Retailers and wholesalers of differentiated brand-name products must connect with each other through a costly and imperfect search process, one that is so strongly conditioned by proximity and preexisting ties that it is more properly described as a trading network rather than as a pure "market." The closer the retailers and wholesalers are to each other—the better informed each is about the other—the more successful the resulting trading networks. Retail entrepreneurs blessed with many ties to wholesalers who know them, their needs, and their clientele can avoid a costly search for the products they wish to sell.

White retail entrepreneurs usually go into business already enmeshed in a rich network of such ties. Most blacks do not. Because of discrimination, past and present, few blacks hold key posts with manufacturers and wholesalers, and black retailers do not necessarily have relationships with whites that could substitute for ethnic ties. In the absence of that network of relationships, they face an extremely demanding search for the right products to carry in their stores. A black retailer I interviewed said that one's "head spins" when confronted with the range of wholesalers.

Sociologists have noted that some minorities, particularly immigrants from Asia, have been able to compensate, through ethnic collective action, for the lack of ties with wholesalers. As Ivan Light has noted, discrimination against some minorities may actually facilitate collective action by creating a small world in which business information is transmitted more effectively and trust is maintained more easily. Certainly, ethnic ties have created startlingly successful business patterns. According to a July 14, 1995, article by Chris Woodyard in the *Los Angeles Times*, Indian immigrants from the state of Gujarat—"most with the surname Patel"—own more than a third of all U.S. motels. And Jonathan Kaufman reported in a February 22, 1995, article in the *Wall Street Journal* that Cambodians run more than four out of five doughnut shops in Southern California.

As I discovered in New York, while formation of these compensating ethnic networks among immigrant groups of color is by no means limited to Asians, neither is it universal. It may be all the more difficult for nonimmigrant groups. Unfortunately, black retailers have not been able to develop such compensating ties. For them, then, the first step to increased competitiveness is to establish themselves in an effective trade network.

Building Ties in the Retail Business

Very large retailers such as major department stores buy in huge quantities and deal directly with manufacturers. To stay competitive, smaller, independent U.S. retailers have turned to various forms of buying groups. Though these groups do not now serve the needs of black retailers, they can be adapted to do so.

One such group, the independent buying office, represents its retail clients in wholesale markets. As described by Patrick Cash, John Wingate, and Joseph Friedlander in *Management of Retail Buying*, the independent buying office helps locate products, recommends preferred lines, and arranges visits to showrooms. It also helps with orders, handles problems, and tracks market trends and special offerings by

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vendors. It may also prepare displays and promotional material, train salespeople, and pool orders so that small retailers can qualify for quantity discounts.

Clients of the buying office make their own decisions on product mix and, if they wish, can conduct their own independent searches for products. Clients usually sign a year-long contract with the buying office at a cost, typically, of about 0.5 percent of annual sales. Because the central mission of an independent buying office is information exchange, its clients must be engaged in similar businesses.

A second kind of interstore cooperation involves centralized buying by voluntary chains sponsored by wholesalers. Here the ultimate decisions on product mix are made by the wholesalers (though retailers are free to buy other products). The wholesalers sell their products to clients at low markups and also provide services, including merchandising, record-keeping, joint advertising, and supervision. Many also extend credit to their retail customers through delayed billing and even provide long-term financing for modernizing stores, erecting new buildings, or purchasing an existing business. Because voluntary chains provide a much higher service level than independent buying offices, they are also better at increasing participation in retail entrepreneurship by facilitating start-ups. Unless the sponsoring wholesalers are black-owned, however, they are typically less knowledgeable than independent black retailers about how to tailor their mix of merchandise to black communities. In my field work I did not discover any black-owned voluntary chains.

Franchising is not usually thought of as a buying group, but it is only a short step from voluntary chains. The main difference is that the franchiser tries to make the franchisees identical. A franchisee buys all his stock from the franchiser and receives substantial training in the ways of the franchise. In exchange for identifying his store completely with the franchise, the franchisee expects large benefits from the use of the franchise name.

Franchising has several drawbacks as a means of increasing black participation and success in retail entrepreneurship. Applying for a franchise is not unlike applying for a bank loan, and blacks may run into the same problems with franchisers that they have with banks. The charge for use of the franchise name and other benefits also raises capital requirements considerably. It can, for example, cost more than $1 million to open a McDonald's. To a lesser extent these same problems may arise for black membership in voluntary chains.

Franchising will be most successful in stimulating black retail entrepreneurship if the franchisers are themselves black, especially if they have roots in black communities that help them identify niches that are not well served by existing franchises. Of course this approach runs up against precisely the problem of low representation of blacks in wholesaling and poor black ties to manufacturers.

In my work, outside of fast food I found only one black-owned retail franchise that was tailored to the black community—an athletic footwear franchise targeted at the inner-city black and Hispanic market. The entrepreneur began his franchise already well connected with many manufacturers. He had met their sales representatives through participation in promotional events for a National Basketball Association team. He also received help in identifying vendors from the Association of Black Sporting Goods Professionals.

The athletic footwear franchise works in partnership with local governments to raise capital from a variety of public and quasi-public sources such as community development corporations. Often new stores are in urban enterprise or empowerment zones. New franchisees must bring $250,000 to the table, of which 20–25 percent is their equity.

A Plan for Action

My plan would increase black participation and success in retail trade in apparel and accessories by building ties to vendors and across retailers. It would supplement, not supplant, other efforts to encourage black entrepreneurship in retail trade and other areas, particularly by eliminating bank discrimination.

Blacks form an important market niche in apparel and accessory retailing. According to a 1992 marketing study, 56 percent of blacks (as against 29 percent

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of whites) enjoy shopping for clothes. A 1993 Department of Labor survey found that blacks spend 7.9 percent of their income on apparel and services, compared with 5.3 percent for whites. Blacks also have distinctive taste in apparel and accessories, for example creating demands for Afrocentric garments and for what people in the clothing trade call "urban sportswear"—what the rest of us might call baggy jeans. Because blacks tend to be fashion leaders, especially in the youth market (as the now ubiquitous baggy jeans attest), the potential exists for successful black apparel and accessory retailers to branch out of the minority community.

Black retail trade entrepreneurs have been more successful in apparel and accessories than in any other retailing. But a need is still felt for apparel and accessory stores in the black community. In the survey of upper Manhattan cited earlier, clothing stores ranked number one as the type of store residents would like to see added to the neighborhood.

Although many large independent buying offices focus on apparel, they handle few black retailers. They do not know the product lines of special interest to the black market niche or have the expertise to serve the particular needs of black retailers. But the expertise could be developed if there were demand for it. And one way to create that demand would be to encourage large numbers of black retailers to join one or more selected independent buying offices by subsidizing some part of their annual cost of membership. Once enough black retailers join the buying office and build a large enough base to make it possible for the buying office to acquire the necessary expertise, the membership subsidy would no longer be necessary. After a start-up period of, say, five years, the independent buying office would be fully capable of serving the black niche market, and the affiliated black retailers should then find it worthwhile to pay the full costs of membership. The subsidy could be phased out.

How much would the plan cost? In 1992, according to the Survey of Minority-Owned Business Enterprises, there were 6,391 black-owned apparel and accessory stores in the United States (excluding large businesses), of which 796 had paid employees. Average annual receipts for the latter group of stores were $158,000, yielding an affiliation fee of $800 per store using the 0.5 percent of sales formula quoted above. Rounding this fee up to $1,000 and applying it to the total number of black-owned apparel and accessory stores in 1992 yields an upper-bound estimate of roughly $6.4 million annually for five years.

The entire cost of a store's membership should probably not be subsidized. The retailers should have enough of a stake in the operation to ensure that they take seriously and use the services offered by the chosen independent buying office. A trade-off exists on the question of how large the subsidy should be. The greater it is, the greater the incentive for black apparel and accessory retailers to join. The more retailers who join, the more influence they will have with the chosen independent buying office. But, of course, the greater the subsidy is, the higher the cost of the project. In any case, less than full subsidy will reduce final costs both directly and indirectly by reducing retailer participation. If necessary, costs can also be reduced by limiting the project to one or more U.S. regions. I believe that the cost of the project can be brought within the range of feasible financing by black, corporate, and foundation philanthropy, thus avoiding the need for government involvement and spending.

The networking nurtured by the independent buying office should boost the success of existing black apparel and accessory retailers, thus enabling them to hire more employees. It may not, however, by itself lead to an upsurge in new retail businesses. The pull of the example of success is slow and relatively weak. Here is where the voluntary chains and franchising come in. The independent buying office chosen to be the beneficiary of vast new membership from black retailers should ensure that the market representatives assigned to work with its black clientele are themselves black. These market representatives can then develop relationships with a broad array of wholesalers and manufacturers that will enable them, in the long run, to turn the most successful black retail concepts into black-owned franchises that would create successful new black retail outlets. ■

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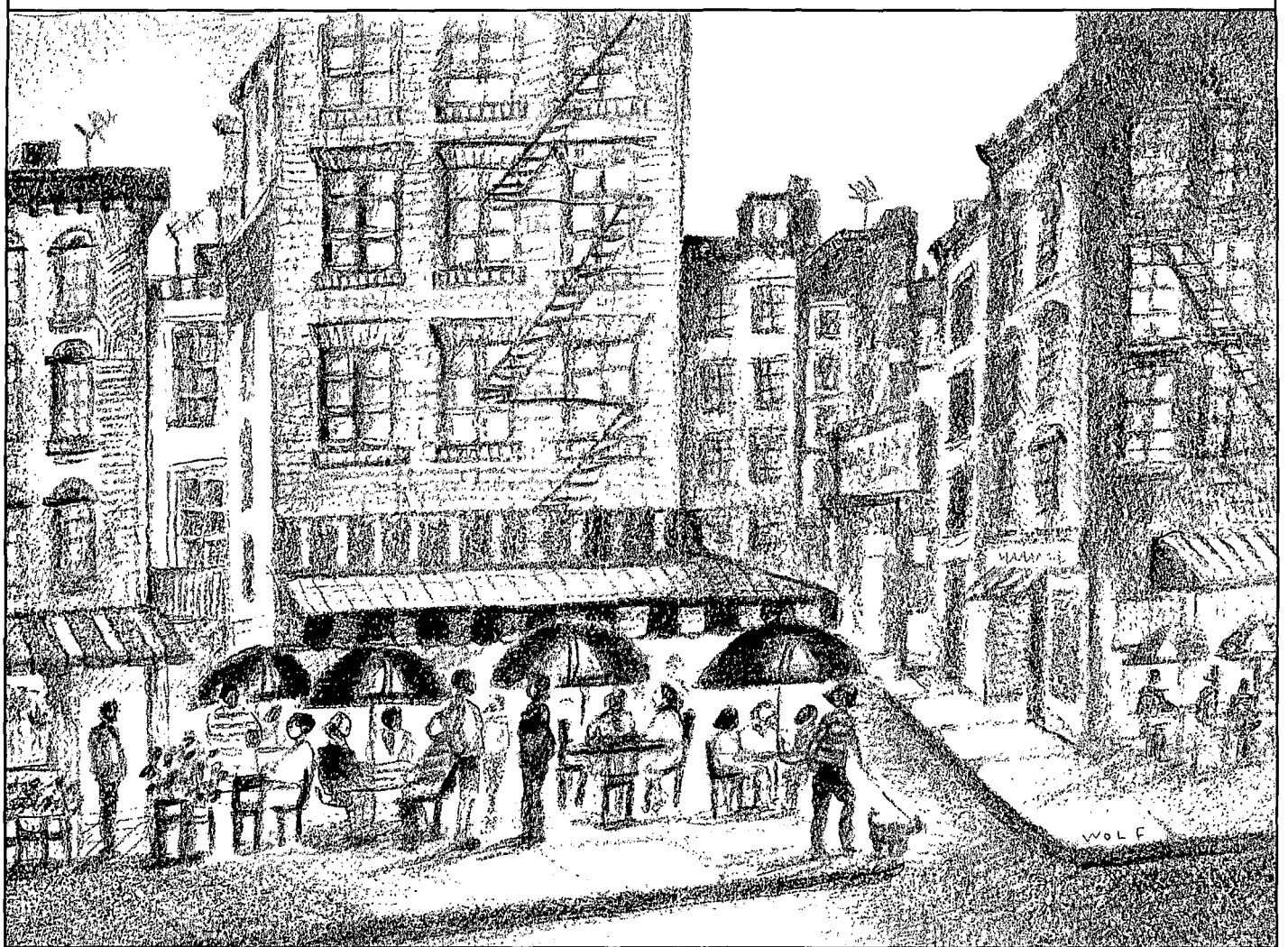
Welcome Neighbors?



NEW EVIDENCE ON THE POSSIBILITY OF STABLE RACIAL INTEGRATION

by Ingrid Gould Ellen

The conventional wisdom on racial integration in the United States is that there are three kinds of neighborhoods: the all-white neighborhood, the all-black neighborhood, and the exceedingly rare, highly unstable, racially mixed neighborhood. The only real disagreement is about why so few neighborhoods are successfully integrated. Some attribute it to white discrimination pure and simple: whites, that is, have consciously and determinedly excluded blacks from their communities. Others contend that it is a matter of minority choice. Like Norwegians in Brooklyn's Bay Ridge and Italians in Manhattan's Little Italy, African Americans, they explain, prefer to live among their own kind. Finally, others maintain that segregation is driven mainly by income differences across racial groups. But almost all agree that when African Americans do manage to gain a foothold in a previously all-white community, the whites move away in droves—a phenomenon well known as "white flight." Integration is no more than, in the words of Saul Alinsky, the "time between when the first black moves in and last white moves out."

But while there is no denying that the United States remains a remarkably segregated country, such views are too pessimistic. Racially mixed neighborhoods are not as rare as people think. In 1990, ac-

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cording to nationwide census tract data, nearly 20 percent of all census tracts—which generally include a few thousand residents, roughly the size of the typical neighborhood—were racially integrated, defined as between 10 percent and 50 percent black. (Defining an "integrated" neighborhood is inevitably somewhat arbitrary. The 10–50 percent range takes into account both that African Americans make up just 12 percent of the total U.S. population and that most people consider integration to involve a fairly even racial split.) In 1990 more than 15 percent of the non-Hispanic white population and nearly one-third of the black population lived in these mixed neighborhoods. And the proportion is increasing. The number of households, both white and black, living in integrated communities grew markedly between 1970 and 1980 and even faster between 1980 and 1990. Most strikingly, the share of white residents living in overwhelmingly white census tracts—those in which blacks represent less than 1 percent of the total population—fell from 63 percent in 1970 to 36 percent in 1990.

Not only are racially mixed neighborhoods more numerous than people think, they are also more stable. An examination of a sample of 34 large U.S. metropolitan areas with significant black populations reveals that more than three quarters of the neighborhoods that were racially mixed in 1980 were still mixed in 1990. And in more than half, the share of non-Hispanic whites remained constant or grew. Most significantly, perhaps, a comparison with data from the 1970s suggests that neighborhoods are becoming more stable over time. The mean white population loss in integrated neighborhoods was lower in the 1980s than in the 1970s; a greater share of integrated tracts remained steady in the 1980s; and fewer tracts experienced dramatic white loss. In sum, neighborhood racial integration appears to be becoming both more widespread and more stable. Again, this is not to claim that America's neighborhoods are no longer dramatically segregated. But it may no longer be accurate to describe them, as have some, as a system of "American Apartheid."

How is it that certain neighborhoods seem to turn rapidly from white to black as soon as a few black households move in, while others hardly seem to change at all? The conventional account of racial mixing has, I think, discouraged people from seriously investigating this question—either by theorizing about what might be different about the more stable areas or by examining matters empirically. Because all mixed neighborhoods are presumed to be highly unstable, explaining the variance in the rate of racial change has hardly seemed pressing. But examining the conditions under which integration seems to thrive offers considerable insight not only into the causes of our nation's racial segregation, but also into the prospects for mitigating it.

Why Are Some Mixed Neighborhoods Stable?

It is possible to devise a variety of theories to explain why some mixed neighborhoods remain integrated. One theory is simply that neighborhoods with fewer minority residents are more likely to be stable. The argument is that white households basically dislike living with minorities and that once the minority population of a given community reaches a concentration greater than they can tolerate, whites abandon the community, which quickly becomes all black. But while this argument has some intuitive appeal in light of our nation's long history of racism, the degree of integration in a mixed community appears to have no bearing on its future racial mix. Whether a community is 10 percent black or 50 percent black, the likelihood of white loss is the same.

A second theory is that communities are more stable when black and white residents have similar incomes and education levels. This theory has an intuitive appeal to those who think that our country has gotten beyond race. But it is not borne out by the data either. Indeed, neighborhoods where blacks and whites are more equal in status are, if anything, less stable.

A third theory—and the one that best fits the evidence—is that residential decisions, especially those of white households, are indeed heavily shaped by negative racial attitudes. But it is not a simple matter of racial animus, of white households being unwilling to live, at any particular moment in time, in neighborhoods with moderately sized black populations. Rather, it is a matter of white households tending to assume that all mixed neighborhoods quickly and inevitably become predominantly black and being uncomfortable with the prospect of living in such an environment in the future.

As for the sources of this discomfort, I would emphasize two. First, whites may simply fear being "left behind" as a racial minority as the community becomes largely black. Second, and more important, white households (and potentially black households as well) may have negative preconceptions about what an all-black neighborhood will be like. Specifically, black neighbors may be thought to bring with them, or at least to portend, a deterioration in what Richard Taub and others have called the "structural position," or strength, of a neighborhood: the aggregate of school quality, public safety, property values, and the like. In other words, white

Ingrid Gould Ellen is a special guest in the Brookings Economic Studies program.

ILLUSTRATION BY ELIZABETH WOLF

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households may not necessarily dislike living next to blacks per se; but many white households, rightly or wrongly, associate blacks with decreasing structural strength. Whether such stereotyped associations should be distinguished from simple racial prejudice on moral grounds deserves lengthy discussion, but certainly they are analytically distinct and have distinct policy implications.

This proposed hypothesis—call it the "racial neighborhood stereotyping" hypothesis—generates some powerful predictions that can be tested empirically. First, it suggests that households who are less invested in the structural strength of the community—renters and households with no children, for instance—will be more open to racial mixing and thus more likely to live in mixed communities. Significantly, if whites simply dislike living near blacks, the opposite should hold true. For white renters—who can enter and exit neighborhoods more easily than homeowners—will be less likely to live in mixed communities.

Second, this hypothesis suggests that—contrary to the conventional view that racial transition is caused by "white flight"—racial concerns are more influential in decisions whether to move into a community than whether to move out. For residents of a community should be fully aware of its structural strength and therefore have less need to rely on race as a signal of this strength. Consequently, entry decisions should be far more important to racial change than exit decisions.

Third, racial mixing should be more stable in communities that seem sheltered in some way from further black growth (either because they are distant from the central area of black residence or because they have been racially stable in the past) or in which school quality, property values, and other neighborhood attributes seem particularly secure.

Testing the Theory

Using a unique census data set that links households to the neighborhoods in which they live, I have tested each of these predictions. The data generally bear them out. First, as predicted, households who are likely to be less invested in the structural strength of a neighborhood appear to be far more open to racial mixing. White households moving into racially mixed areas tend, for instance, to be younger than those opting for predominantly white areas. They also tend to be single rather than married and not to have children. Significantly, childless black households are similarly more open to increasingly black communities than their counterparts with children. Finally, white renters are considerably more willing to move into and remain in racially mixed areas than homeowners are. Thus, communities with relatively larger proportions of rental housing are more likely to remain integrated. Again, this finding runs counter to the pure-prejudice view of neighborhood choice, since renters can leave much more quickly than homeowners.

The data support the second prediction as well. Indeed, there is virtually no evidence of white flight or accelerated departure rates in the face of racial mixing. White households are no more likely to leave a community that is 80 percent black than one that is 2 percent black. And the moving decisions of black households appear insensitive to racial composition as well. Thus, to the extent that integrated neighborhoods do tip, or become increasingly black, entry decisions, rather than exit decisions, appear to be the cause. The point is, residents living in a community are far less likely to consider race as a signal of neighborhood quality than outsiders considering moving in.

As for the third prediction, the evidence confirms that mixed neighborhoods that seem sheltered from further black growth are more stable. In fact, the most crucial determinant of a community's future course of racial change is its past racial stability. The longer a community has been integrated, the more likely it is to remain so. And analysis of individual decisionmaking confirms this. Controlling for present racial composition, white households are both less likely to leave a mixed community and more likely to enter one if its black population has been fairly steady in the past and thus seems likely to remain steady in the future. Moreover, integrated neighborhoods located farther from black inner-city communities are more likely to remain stable. Of course, the added distance may discourage blacks from entering these communities as quickly, but it seems likely that white expectations play a role too. For white households may view communities closer to the core black area as both more apt to gain black population and more vulnerable to the social dislocation that whites associate with such gain.

Furthermore, mixed neighborhoods in which the

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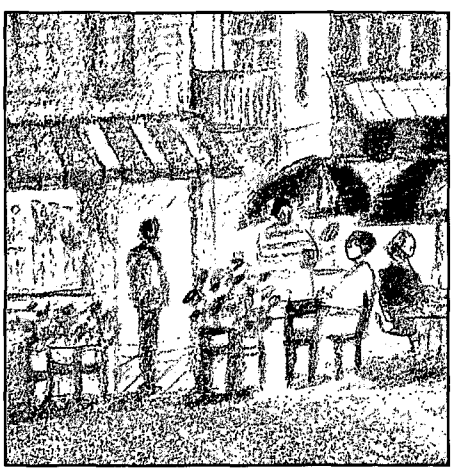
housing market is thriving and in which neighborhood amenities seem particularly secure are more likely to remain stable. For example, the data appear to show that communities with large stabilizing institutions, such as universities or military bases, that promise to provide a continual source of people, both white and black, who desire to live in the area provide just such strength and security.

Policy Implications, Big and Small

To the extent the racial neighborhood stereotyping hypothesis is sound, the obvious question arises: what light does it shed on the moral and economic justification for government intervention to maintain mixed neighborhoods or to promote integration generally, and what kinds of policies would most effectively promote integration consistent with this justification? This is not the place to address such a grand question. Suffice it here simply to point out a few salient implications of the hypothesis for existing government policies designed to maintain mixed communities.

One policy that is occasionally used is the setting of an explicit quota on the number of blacks or minorities who may move into a particular mixed community or development where black or minority demand is high. For example, several years back, the owners of Starrett City, a large middle-income apartment complex in Brooklyn built with substantial government subsidies, set a quota on the number of blacks and Hispanics who could live there. In 1987 a federal court found that the quota violates the Fair Housing Act of 1968. But such quotas may also not make much sense as a matter of policy, since, as noted, no specified level of minority representation triggers white departure from a community.



Mixed communities have also tried to stem panic-selling by restricting realtors' unsolicited efforts to encourage homeowners to sell and by banning the display of "For Sale" signs. But if exit decisions are less sensitive than entry decisions to racial composition and less critical to long-run stability, such strategies are poorly targeted. Integration, my results show, would be more effectively promoted by encouraging outsiders to move in, not discouraging insiders from leaving.

Some communities have tried to do just this. For example, some have tried to attract outsiders by public relations campaigns that advertise their particular strengths: their housing stock, their parks, their community solidarity. Such efforts also directly counter white households' fears about the structural decline they associate with predominantly black neighborhoods.

Efforts in mixed communities to raise amenity levels also address white households' fears of community decline. For example, programs to improve the appearance of a community—restoring local playgrounds, cleaning up commercial strips, repairing broken windows— can build social capital and bolster people's faith in a neighborhood's strength.

Finally, the racial neighborhood stereotyping hypothesis has important implications for government policies that have nothing to do with promoting racial integration. For example, policies designed to increase homeownership, such as the homeowner mortgage interest deduction, may have the unintended consequence of exacerbating racial segregation.

Unwarranted Pessimism

The real story about America's neighborhoods, though far from revealing anything close to a color-blind society, is less pessimistic and more dynamic than we have tended to believe. Integrated neighborhoods may be a minority, but their numbers are growing, and many appear likely to remain racially mixed for many years. Researchers must not overlook them. For the question of when and where households seem content to live in racially mixed environments is in many ways the flip side of the ultimate question of why our nation's residential neighborhoods are as segregated as they are. And any progress toward answering the first question is progress toward answering the second. More important, white households should not overlook the facts either, for their overly pessimistic assumption that rapid racial transition is inevitable has helped, by its self-fulfilling nature, to undermine racial mixing.

In hindsight, the optimism of many people during the civil rights era that integration was just around the corner seems hopelessly naive. But the pessimism that has replaced it in recent years does not seem appropriate either. It seems based more on weariness in the face of an endlessly daunting challenge than on the facts, and it has, in my view, slowed our progress toward understanding neighborhood racial segregation. ■

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New Kid on the

A CLOSER LOOK AT AMERICA'S PRIVATE SCHOOLS

Peter W. Cookson, Jr.

From roughly 1830 to 1980 public schools held center stage in the great American drama of equal opportunity and upward mobility. Private schools were small, even suspect, players. Though the first colonial schools were private, by the end of the 19th century private schools were identified with class and religious interests. The economic elite established its own prep schools on the model of England's Eton and Harrow. Religious organizations, particularly the Roman Catholic Church, founded their own schools to combat Protestant indoctrination in public schools. Not everyone believed families should have the option of leaving the public schools. It took a 1925 Supreme Court decision (*Pierce v. Society of Sisters*) to settle the matter.

Over the past 15 years, however, the tables have turned. Public schools, the institution long championed as part of the solution to the dilemma of inequality, are now seen as a serious part of the problem. Particularly in the inner city, the public schools are failing in the mission of providing children with the skills to live productive lives and gain a foothold on the ladder of success.

Now private schools are in the spotlight. The parochial school is touted as the "real common school," the institutional embodiment of something sociologists call "social capital." Apologists hold it up as a promising alternative to public education. Some analysts and policymakers propose to privatize all public education through a system of universal vouchers, others to provide vouchers to enable inner-city children to escape the miserable schools in their neighborhoods and attend private schools.

But the world of private schools is more complicated than its apologists would have us believe. What are private schools like? Are they better managed than public schools? More economical? Do similar students learn more at private schools than at public schools? Do private schools really have a lock on social trust? Do they promise upward mobility?

The Landscape of Private Schools

The term private school covers a multitude of educational alternatives. Researcher Don Erikson has identified 15 major categories of private schools: Roman Catholic, Lutheran, Jewish, Seventh Day Adventist, independent, Episcopal, Greek Orthodox, Quaker, Mennonite, Calvinist, Evangelical, Assembly of God, special education, alternative, and military. Most private schools are on the east and west

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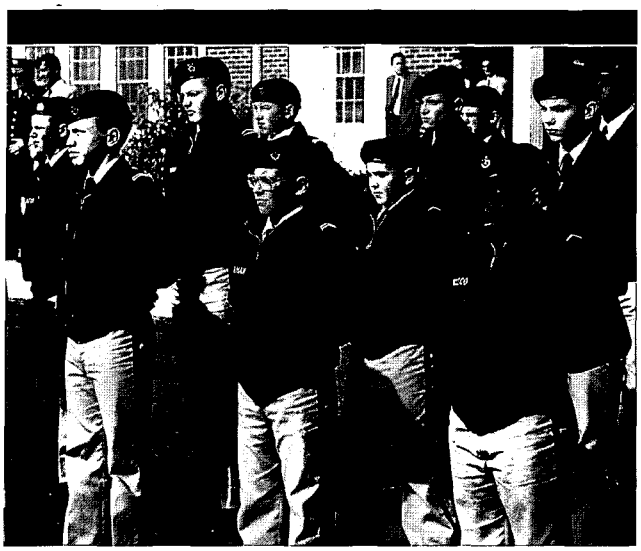
coasts; Connecticut has the highest share of private school students (17 percent) and Wyoming the lowest (1.5 percent).

The approximately 27,000 elementary and secondary private schools in the United States enroll about 6 million students—some 12 percent of American school children. Private schools constitute 25 percent of all elementary and secondary schools. The overall percentage of students who attend private schools has been remarkably stable over time. Since the 1960s the big loser in terms of students and schools has been the Roman Catholic Church. From the mid-sixties



to the mid-eighties Catholic schools experienced a 46 percent drop in students and a 29 percent drop in schools. During the same period Evangelical schools experienced a tremendous rate of growth—627 percent. The vast majority of private schools are elementary schools; only one in thirteen private schools enrolls students in grades 9–12. Private schools tend to be very small. Half enroll fewer than 150 students. Less than 3 percent enroll more than 750 students. Most of the larger schools are Catholic. The diversity in the private school sector is striking. In the past 20 years I have visited scores of private schools.

A private school can be:

- a tiny school in California where students live in shacks they build themselves, cook two meals a day, and study poetry under the trees;
- a prestigious prep school in New England where the well-to-do send their children to be socially polished and primed to enter an Ivy League college;
- a Catholic school in the inner city where all the students are poor and only a few are Catholic;
- a Catholic school in an elite city neighborhood where students study Latin and Greek and go on to prestigious Catholic colleges and universities;
- a school for students with learning and behavior problems where the faculty-student ratio can be as low as three to one;
- a progressive school where students write curriculum, address teachers by their first names, and travel to Paris on a field trip;
- a military school where the sons and sometimes the daughters of middle-class families seeking educational structure learn the value of order and discipline;
- a Christian Evangelical school where the Bible is the main text, evolutionary biology is despised, and religious conformity strictly enforced.

There is no one world of private schools. It is a mosaic of institutions that vary by mission, size, and social exclusivity. While it is true that some poor families make great sacrifices to send their children to private schools, most private school families are wealthier than public school families. Approximately 29 percent of all students attending public school receive publicly funded lunches, while only 6 percent of private school students receive such lunches and only 4 percent receive Title I services. The elite private schools, while providing some scholarships, enroll children from some of the country's wealthiest families. Contrary to the image created by some private school advocates, the overwhelming number of students in private schools are white. Approximately 46 percent of private schools enroll less than 5 percent minority students. Only a small percentage enrolls more than 50 percent of their students from minority populations.

One of the key differences between public and private schools is that the latter are almost exclusively academic, while the former are nearly evenly divided among academic, general, and vocational programs. On average, private school students spend more time on their homework and write more than public school students. Private school students tend to feel more positive about their schools and feel safer.

Private schools, it is often claimed, are cheaper to operate because they are not bureaucratically driven, and little money is spent on administration. As noted, however, most private schools are small elementary schools that are far less expensive than high schools to run and require far less managerial attention. Moreover, many private schools receive public support for transportation and special education, usually pay no property taxes, and rely on private donors for contributions. Because private schools can be selective, they can exclude academically or socially difficult children, eliminating many services required in the public sector. Few private school faculties are unionized, and as a consequence private schools generally

TOP LEFT: NATIONAL CATHEDRAL SCHOOL, WASHINGTON, D.C. (PHOTO BY PIERCE ATKINS)

BOTTOM LEFT: ST. AUGUSTINE CATHOLIC SCHOOL, WASHINGTON, D.C. (PHOTO BY NESTOR HERNANDEZ)

BOTTOM RIGHT: ST. JOHN MILITARY SCHOOL (UNIPHOTO PICTURE AGENCY/JOE SOHM)

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pay their teachers very low wages. I know of no credible study of the economics of private sector education that convinces me that when all the relevant variables are taken into account, private schools are either more economical or better managed.

Private schools are status communities. Families are attracted to them because of certain special interests, including religious orthodoxy, social snobbery, academic specialty, or educational philosophy. Many private schools are excellent, the best are outstanding. Some, however, are mediocre, and the worst are appalling. Some private schools have facilities and resources far greater than many colleges, but in others the children do not get enough to eat, discipline is brutal, and the life of the mind is stifled. In short, the social, educational, and economic geography of the private school world is highly varied, more akin to the geography of California than of Kansas. Simplistic statements about this geography create the context for questionable research results and misguided policy suggestions.

Private Schools: Better Academically?

In 1982 James Coleman, Thomas Hoffer, and Sally Kilgore published *High School Achievement: Public, Catholic, and Private Schools Compared*. Like much of Coleman's work, this study was highly controversial. He and his colleagues found that the average test scores of private school sophomores exceeded those of public school sophomores in every single subject area. In reading, vocabulary, mathematics, science, civics, and writing tests, private school students outperformed public school students, sometimes by a wide margin. The authors of the study wondered whether these differences were due to student selection or to school effects on cognitive skills. When they controlled statistically for the effects of family background on academic achievement, the differences between public and private school students were reduced, but remained substantial.

According to the Coleman study, private school students outperform public school students for two reasons: private schools more successfully engage students academically, and private school discipline is more consistently enforced. In several follow-up analyses and discussions Coleman and his colleagues attributed private school superiority to the "community" effects of these schools. Catholic schools, in particular, were seen as exemplifying communities where value consensus was enforced and there was a close parallel between school values and family values.

The Coleman study produced a firestorm of discussion and reanalysis. Noted sociologists and economists of education scrutinized the Coleman data and concluded that the private school effect was extremely small, perhaps nonexistent. Sociologist Christopher Jencks concluded that "the annual increment attributable to Catholic schooling thus averages .03 or .04 standard deviations per year. By conventional standards this is a tiny effect, hardly worth study." Others found that sector differences had little to do with differences between public and private schools, but a great deal to do with student body characteristics and depth of academic offerings. Good schools looked similar regardless of whether they were public or private.

Political scientist John Witte and others began to point out the fundamental inferential problems of Coleman's work (an analysis of high school achievement applied to private schools generally) and flaws in the basic research design (for example, student family background characteristics and educational experiences were based primarily on students' self- reports). Measured student achievement was based almost entirely on a set of six multiple-choice achievement tests given to 72 students in each school. Questions were raised about the tests' validity and reliability. Most telling was that while Coleman and his colleagues found statistical differences between public and private school achievement, the size of the effects was so small that sociologists Karl Alexander and Aaron Pallas estimated that changing public schools to look like Catholic schools would shift the public schools from the 50th to the 53rd percentile ranking on standardized tests.

Researcher Richard Murnane found that private school students score higher on achievement tests than public school students because they come from more advantaged homes and bring more skills to school with them. Moreover, when comparisons between public and private schools take into account the selectivity bias of private schools—who is admitted, who is expelled, and the quality of the student body—the differences virtually disappear. Research shows that the contextual effects of education, particularly as it relates to peer relations, are critical in determining the variation in a host of outcome measures. Most of these awkward facts have been ignored by the popular press and policymakers.

In short, comparisons between private schools and public schools are extremely problematic. Comparisons in terms of inter-sectional achievement scores are misleading because they fail to take into account selectivity bias—and the differences between scores are quite small in any case. Statistical comparisons between private and public schools regress toward the mean and, in doing so, draw a silhouette of public and private schools that fails to convey the complexity, subtlety, and richness of the educational alternatives in both sectors.

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Private Schools and Upward Mobility

Many of the benefits of attending a private school have little to do with the schools' abilities to raise student achievement, but a great deal to do with the types of status the schools confer. Private school attendance is related to social power. After teaching in a public school, I taught for several years in a private school that was, in my estimation, no better academically than the public school. When I asked a father why he paid the tuition to send his child to the private school, he responded without hesitation, "Because of the other parents." Status is related not only to class, but also to religion, sports, ethnicity, and gender. The upper class, for instance, has not only an old boys' but an old girls' network.

A school's institutional power has been called, by sociologist John Meyer, its "charter." Schools are chartered to produce socially recognizable graduates who are identified by institutional gatekeepers as possessing special attributes. According to sociologist David Kamens, "schools symbolically redefine people and make them eligible for membership in societal categories to which specific sets of rights are assigned."

The diagram opposite is a schematic representation of the relationship between individual student characteristics (including family background), private schools, academic achievement, college type and selectivity, and adult status. Family background and individual ability are of course highly related to adult status. And all private schools, whether of low, middle, or high status (as determined by the institutional power of its charter), affect a student's adult status by affecting academic achievement and, through academic achievement, where he or she goes to college. But only high-status private schools directly affect where students go to college and indirectly affect adult status.

Private Schools and the Public Good

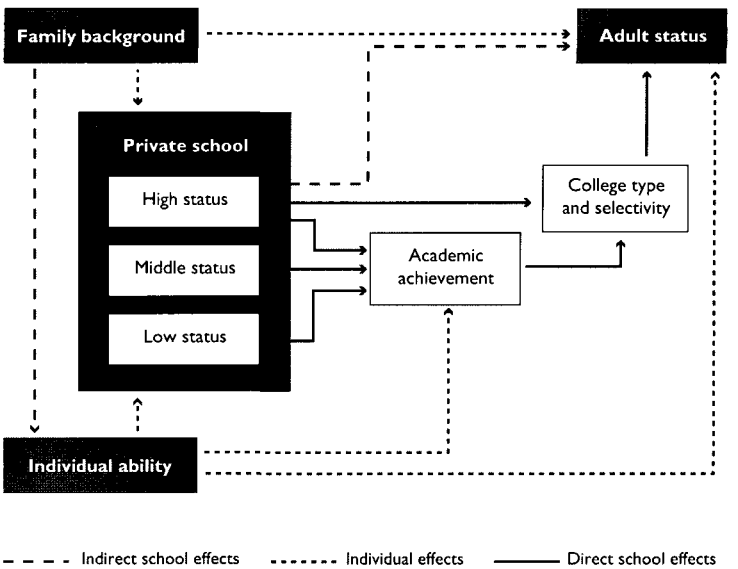
Private schools are educational laboratories. They are also expressions of religious freedom and intellectual dissent. In our rush to embrace market solutions to public policy problems we would do well to consider a hands-off policy concerning private schools. When Canadian private schools began accepting public dollars in the 1980s, they began to look a lot like public schools. Our major private school policy goal should be to protect private schools as they now exist.

Our goal should not be to increase enrollment in private schools through the use of vouchers to create more educational opportunities and pursue upward mobility. Such a policy will most likely *decrease* mobility because creating more middle- and low-status private schools will have no impact on mobility but will remove vital resources from public schools.

Recently researcher Charles Manski conducted a sophisticated computer simulation that modeled the market for schooling in various situations. Manski tried a wide range of government subsidies—up to $4,000 (significantly above any existing subsidy)—of private school enrollment. But he was unable to find any type of voucher system that would equalize educational opportunity across income groups. Whatever the value of the voucher, young people living in wealthy communities receive higher quality schooling than those living in poorer communities. Moreover, high-income youth in a given community receive higher quality schooling on average than do low-income youth. In short, the public funding of private education will have virtually no impact on increasing upward mobility or creating greater educational opportunities for those who do not come from the financially favored classes.

Americans have been scared silly about their schools. Certainly urban education is a disaster, but more because of failed urban policy than of failed educational policy. But many public schools, especially in the suburbs, are far better today than they were 25 years ago. The overwhelming majority of American children do and will attend public schools; privatizing public schools based on an inaccurate picture of private education will undermine both. ■

A MODEL OF THE RELATIONSHIP BETWEEN PRIVATE EDUCATION AND UPWARD MOBILITY



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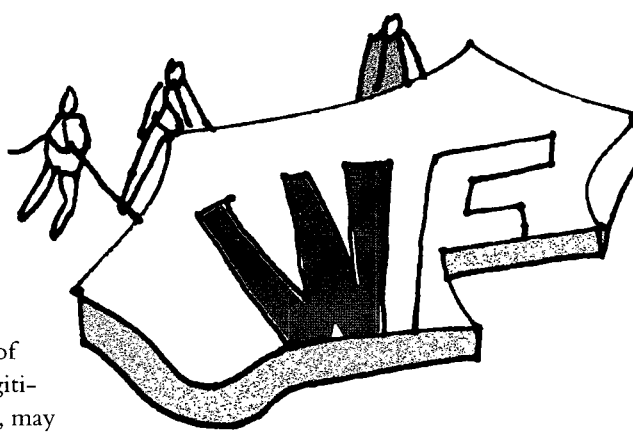
Reinventing Welfare ... *Again*

GARY BURTLESS AND KENT WEAVER

THE LATEST VERSION OF REFORM NEEDS A TUNE-UP



Welfare reform was the focus of fierce partisan debate in the last Congress. President Clinton promised to "end welfare as we know it" in his 1992 campaign, but failed to submit reform legislation in time for congressional Democrats to act on it before they lost their majority in the 1994 election. Last winter, Clinton vetoed the Republican Congress's budget reconciliation bill and a stand-alone welfare reform bill. Both would have fundamentally restructured the safety net on GOP terms. Last August Congress passed a modified version of the Republican plan—the Personal Responsibility and Work Opportunity Act—and the president signed it over the objections of many Democrats in Congress and senior officials in his own administration.

While the new law may appear to settle the issue of welfare reform, at least temporarily, political pressures and implementation problems could soon put it back on the congressional table. Even as he signed the welfare bill Clinton promised to try to soften some of its harshest provisions. Social conservatives, disappointed that most of their preferred remedies for illegitimacy were left out of the new law, may also press for change.

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Welfare has been on the nation's agenda for more than two decades. It is deeply unpopular. Most voters believe that the old Aid to Families with Dependent Children program discouraged work and encouraged illegitimacy and family breakup. It provided too little help to keep families from falling into poverty, but too few incentives to push able-bodied adults into self-sufficiency. The 1996 reform addresses some of AFDC's worst problems, but it creates some big new problems for state and federal policymakers. And it imposes serious and unnecessary risks on the nation's poorest children. To improve their prospects, welfare should be fixed—again.

The New Welfare Law

The new welfare law changes the nature, organization, and financing of a vital part of the U.S. safety net. Under AFDC, Washington offered states open-ended grants for cash welfare benefits for needy children and their adult caretakers. States had to match the federal dollars to get the grants, but federal spending had no fixed limit. States were free to define need, establish benefits, and determine eligibility, leading to a great deal of interstate variation.

The new law replaces AFDC with a federal block grant called Temporary Assistance for Needy Families. Though small exceptions will be made for low-income states with fast-growing populations and states in recession, most states' TANF grants will be determined by their federal AFDC grants during the past few years. The new law ends the individual entitlement to benefits. Under new state programs, poor children may no longer be automatically entitled to cash benefits. The new law gives states more program flexibility in many areas, but it also imposes new federal requirements. For example, each state must ensure that a rising percentage of its adult aid recipients engages in approved

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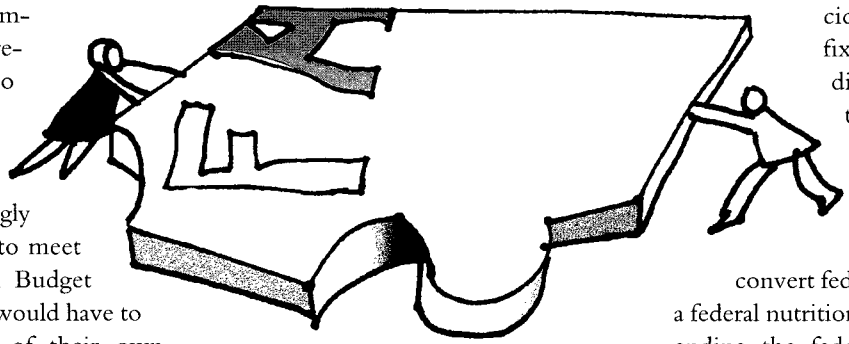
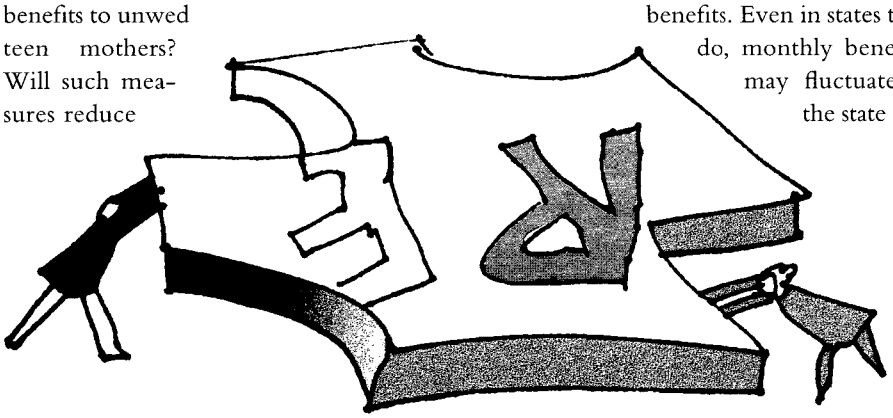
work. The head of each family on welfare will now be required to work within two years after cash payments begin. Work hours requirements are stringent, and states will face increasingly harsh penalties for failing to meet them. The Congressional Budget Office estimates that states would have to invest about $14 billion of their own money over 1997–2002 to meet the new work requirements.



States cannot use the TANF grant to pay benefits to a family for more than 60 months; they can limit benefits to fewer than 60 months if they choose. They can use existing federal social service funds to provide noncash benefits to families after 60 months. Up to 20 percent of a state's caseload can be exempted from the 60-month limit for hardship reasons. Unlike earlier versions of the GOP welfare bill, the new law does not require (but does permit) states to deny benefits to unmarried teen mothers and to impose family caps. (A cap denies higher monthly payments to families into which children are conceived or born while the mother is receiving welfare.)

Predicting the impact of the new law is not easy. It is not clear, for example, how quickly or well states will implement the new work programs. No one knows how states or aid recipients will react to incentives in the new law. How many recipients, facing the five-year time limit, will find work in the private sector? How many states will use their own resources to pay for aid to recipients who exhaust their eligibility for federal benefits? Will competition among states lead to lower monthly payments or tighter time limits? How many states will impose a family cap or deny benefits to unwed teen mothers? Will such measures reduce illegitimacy and caseloads? How will recessions affect states' willingness to pay for family assistance?



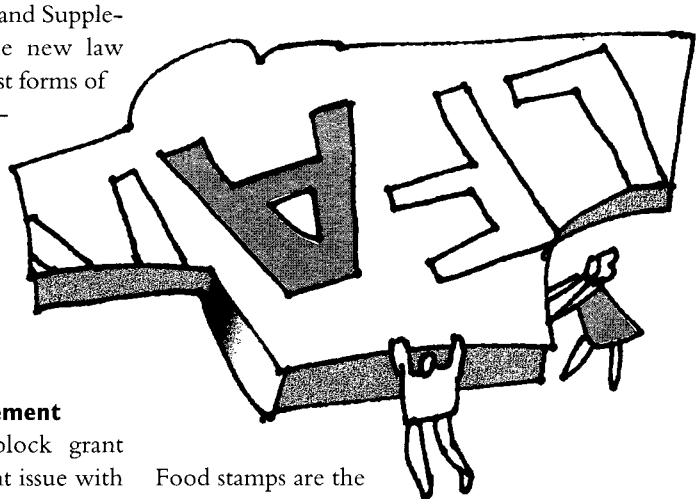
Many specialists believe the new law will, in time, increase poverty and deepen distress among people who are already poor. Some of the hardship will result from cuts in food stamps, Medicaid, and Supplemental Security Income. The new law abolishes or sharply curtails most forms of public aid to noncitizen immigrants, trims food stamps, and restricts SSI and food stamp eligibility for some classes of recipients. To reduce the risks the new law poses to poor children, several features should be revised.

Revisiting the Issues: Entitlement

Converting AFDC into a block grant probably settled the entitlement issue with respect to family support payments for the foreseeable future. But ending the entitlement will cause problems. State disparities in eligibility for cash benefits will almost surely increase. Some states may even decide to vary eligibility *within* their borders, as they do in state-financed general assistance programs. In states that do not make aid a legal entitlement, low-income children may have no assurance of receiving benefits. Even in states that do, monthly benefits may fluctuate if the state decides to operate within a fixed welfare budget. The distribution of cash assistance within and across states could become quite capricious.

The first GOP reform package allowed states to convert federal food stamp funds into a federal nutrition block grant—effectively ending the federal entitlement to food stamp benefits in states taking up this option. The new law dropped this provision.

Future efforts to wring savings out of entitlement programs may revive the effort to allow states to turn food stamp funds into a block grant. That would be a serious mistake.



Food stamps are the only program guaranteeing a uniform level of aid throughout the nation to indigent families in all kinds of circumstances. Food stamp spending is also highly responsive to unpredictable needs arising from recessions, natural disasters, and demographic change.

Time Limits

The new law contains two kinds of time limits. States must require adults to work not later than 24 months after cash benefits begin. Federal funds cannot be used for cash aid to families whose adult head has received aid for more than 60 months. The limits send a clear signal to beneficiaries that they must become self-sufficient in the labor market and set an unambiguous timetable for achieving that goal. But the harsh reality is that many adult recipients will not become self-sufficient in the foreseeable future. Some lack skills, others have no work experience, still others face family

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circumstances or health problems that make steady work impossible. A number live in areas—rural counties and Indian reservations, for example—where jobs are few and far between. Given the inherent instability of many jobs in the low-wage labor market, many current and future aid recipients will suffer repeated spells of unemployment, some of them long. If no government-financed cash assistance is available, strict time limits could cause highly visible hardship and even homelessness among unskilled parents and their children.

To mitigate hardship under time limits, the law should be changed in several ways. States could provide cash assistance after five years to those willing to engage in workfare or subsidized jobs—a move consistent with the Clinton administration's original welfare proposal. If Congress is unwilling to offer this flexibility, it could authorize federal waivers permitting states to extend the five-year time limit under certain conditions.

Allowing states to set time limits shorter than five years, as the new law permits, is particularly risky. Some states may be tempted to export their welfare problem by adopting tighter time limits than their neighbors. To avoid a "race to the bottom" in time limits, states should be required to get federal approval to impose time limits of less than five years.

Work Requirements

Political competition between President Clinton and congressional Republicans ensured that the new welfare law would feature stiff work requirements. Work requirements enjoy overwhelming support among the public and surprisingly strong support among assistance recipients themselves. They are essential to maintaining public support for cash and nutrition assistance programs over the long run. But we must be realistic about what such requirements can accomplish and about the capacity of the low-skill labor market to absorb new workers. Research has shown that welfare-to-work programs can increase both earnings and work among welfare recipients, but not enough to allow most to become self-sufficient. Further, many recipients will endure long spells of joblessness after completing the programs. Without access to publicly provided jobs and supplemental aid, such as child care, some single mothers will find it impossible to support their children.

On the details of work requirements—how many hours of work, how much of the caseload to cover—it is tempting for federal policymakers to be overly prescriptive. They can earn easy political points that way, but they may also strip states of the flexibility needed to implement effective programs. Welfare-to-work experiments find that pushing recipients into jobs instead of training achieves the highest short-term earnings gains. But these findings may not be valid for mothers with very young children, who will increasingly become subject to stiff work requirements. States need greater flexibility than the new law provides to set the number of hours that welfare recipients must work and the mix of work and training that they will be offered.

Reducing Illegitimacy

The new law requires that teenage mothers live with a parent or responsible adult to receive cash benefits. As long as exceptions can be made in case of parental abuse or other hardship, the requirement is appropriate. The law also offers small incentives for states to reduce out-of-wedlock birth rates and, as noted, allows states to impose family caps. Flexibility on family caps is sensible because evidence on their impact, drawn mainly from recent experience in New Jersey, is slim. Reductions in births to welfare recipients appear modest, but the evidence is incomplete.

Many conservatives argue that states should deny cash assistance to teenage mothers who bear children outside of marriage. The new law does not require states to take this step, but it allows them to do so. It would be more prudent to permit strictly limited and carefully evaluated trials of the policy. While there is little doubt that out-of-wedlock teen pregnancies are costly, not only for society but for the children they produce, we have no evidence that denying benefits to unwed teen mothers will cause illegitimate births to fall. Such a ban has never been tested, and the potential harm to affected children could be large.

State Fiscal Effort

Under the new block grant formula, states can reduce their welfare spending significantly, thereby risking a race to the bottom in eligibility and benefits. To qualify for full federal block grant funds under the new law, states that meet the work participation targets need spend only 75 percent of what they spent in the past. The "maintenance-of-effort" requirement is even less stringent than it appears because states can spend part of the TANF block grants on services that may not go to low-income dependent children or their parents. In addition, inflation will erode the value of previous state efforts, making the requirement less onerous over time.

The shift to block grant funding for family assistance, combined with continued availability of federal food stamps, will present states with a powerful inducement to reduce cash benefits. By cutting cash benefits and spending some of its TANF

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grant on other services once funded by state tax dollars, a state can free up money for tax cuts or other nonwelfare spending. The amount of its block grant would remain unchanged, and the cut in assistance payments would be partially offset because food stamp payments, based on families' cash income, will grow.

The temptation for states to reduce spending on cash assistance and shift the funds to other purposes or tax relief will be particularly strong in the next couple of years. Although AFDC caseloads in many states have dropped noticeably from their peak in the early 1990s, future state block grants are set equal to the federal AFDC payments states got when caseloads were at their peak. With more federal money than they need to maintain benefits for current caseloads, many states will be able to shift some welfare spending to other needs. But when welfare again becomes a pressing fiscal problem, they will find it politically difficult to recapture these monies.

A good case can be made for strengthening state maintenance-of-effort requirements. Effective programs that move recipients toward self-sufficiency are costly. So, too, are the new administrative arrangements needed to implement time limits and other features of the new system.

State Funding Allocations

The TANF block grant has three big shortcomings. It provides uneven levels of federal support to children in rich and poor states. It is not responsive to states' changing demographic needs. And it may not offer much help in serious recessions. The first two flaws grow out of the decision to allow states to base their grant allocations on the highest of their 1994, 1995, or average 1992–94 spending levels. The decision, based not on compelling policy arguments, but on the political need to avoid visible winners and losers, will lock into place a distribution of federal funds that favors wealthy states. Recently, for example, the federal government spent $1,800 per poor child on AFDC in Connecticut but only $300 in Mississippi. In time, the new allocation formula will help states that are losing low-income residents and hurt those with growing numbers of poor children. If the block grant is to be retained, Congress should make it more equitable. Over a 10-year period the allocation of federal funds could be revised so that spending is based on the number of poor children in a state, not on the amount of federal spending in the first half of the 1990s.

To address the problem of recessions, Congress should increase the contingency grant fund. Budgeted at $2 billion for fiscal 1997–2001, the fund will be available to states with high and increasing unemployment and states whose food stamp caseloads jump at least 10 percent. To compensate states for recession-related burdens, the fund should probably be doubled or tripled. States using the fund should be required to maintain pre-reform funding levels and to match federal dollars they draw from the fund.

Efforts to increase the contingency fund or the TANF block grants will face the same obstacle that blocked the Clinton administration's welfare reform plan in 1994. New appropriations for the fund must meet deficit neutrality requirements under the Budget Enforcement Act of 1990. Increasing taxes or cutting other programs to increase spending for family assistance is likely to be tough politically—just as it was when policymakers tried to reform AFDC.

The emphasis on work is a significant and welcome change in the orientation of welfare. It conforms with Americans' deeply held belief that able-bodied adults should toil for their daily bread, at least eventually, if they are to earn the right to public support.

Reinventing Reform

Few public programs arouse as much passion—or antipathy—as welfare. Broad dissatisfaction with welfare has led to many calls for reform over the past quarter-century. Some reform efforts have yielded modest adjustments in the structure of welfare, but until 1996 none produced fundamental change.

The Personal Responsibility and Work Opportunity Act is a decisive break with the past. It removes the guarantee of federal support for cash aid to indigent children and their parents, toppling a pillar of social protection that stood for more than six decades. While it is not certain how states will respond to the incentives in the new law, it seems safe to predict that most will offer aid with more strings attached. Cash assistance will be linked to recipients' efforts to find and keep a job. The emphasis on work is a significant and welcome change in the orientation of welfare. It conforms with Americans' deeply held belief that able-bodied adults should toil for their daily bread, at least eventually, if they are to earn the right to public support.

But the new law has serious shortcomings. By abolishing the entitlement of needy children to cash assistance, it places a large and extremely vulnerable population at risk. By allowing states to cut spending on welfare, it tempts them to divert resources to other uses, including tax reductions or benefits for more affluent citizens. And it offers scant fiscal relief to states falling into recession.

Sensible reform can correct these defects. If states fail conspicuously to protect the interests of poor children, the impetus for reform will be strong. Because states are most likely to fail when facing economic hard times, welfare should be reinvented one more time—before the next recession. ■

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Is Anybody Listening?

The uncertain future of welfare reform in the cities

By Margaret Weir

Debate over the welfare reform bill signed by President Clinton last August centered on whether curtailing the federal role in welfare and augmenting the authority of states would help or hurt America's poorest families. Much less discussed was the role cities and urban counties would play once the new law took effect.

The omission was striking because the beneficiaries of the social programs encompassed by the welfare reform law are disproportionately concentrated in big cities. Furthermore, many cities and urban counties operate on budgets so tight that they could not begin to offset cuts in benefits on the federal and state level. During the long debate over welfare reform, urban leaders expressed grave concerns, but their doubts were overshadowed by the assurances of governors that, given the freedom, states could manage social programs better than Washington. Many questions, however, remain about the implications of welfare for the nation's cities. Central among them is whether cities and urban counties will be able to shoulder the new burdens associated with welfare reform or whether they will seek to avoid those burdens to protect their own bottom line. The real danger is that the law will create a new class of "invisible poor," handed off by each level of government to the next, shifted among programs until they fall out of the social welfare system altogether, uncounted in official statistics, but all too visible on our city streets.

Margaret Weir is a senior fellow in the Brookings Governmental Studies program.

Why Devolution Matters to Cities

The welfare reform bill replaces the individual entitlement to Aid to Families with Dependent Children with a capped block grant. It decreases federal spending on welfare and associated social programs—some $54 billion over five years—and relieves states from requirements to cover particular categories of people. It also places time limits on benefits and requires benefit recipients to find jobs. All these changes would have a dramatic impact on cities, which house a disproportionate number of welfare recipients, and urban counties, which, in most states, administer welfare.

The counties that contain the 10 largest cities in the United States accounted for 22 percent of the entire national AFDC case load in 1993 (but only 14 percent of the population). The pattern of urban concentration is most pronounced in states with a

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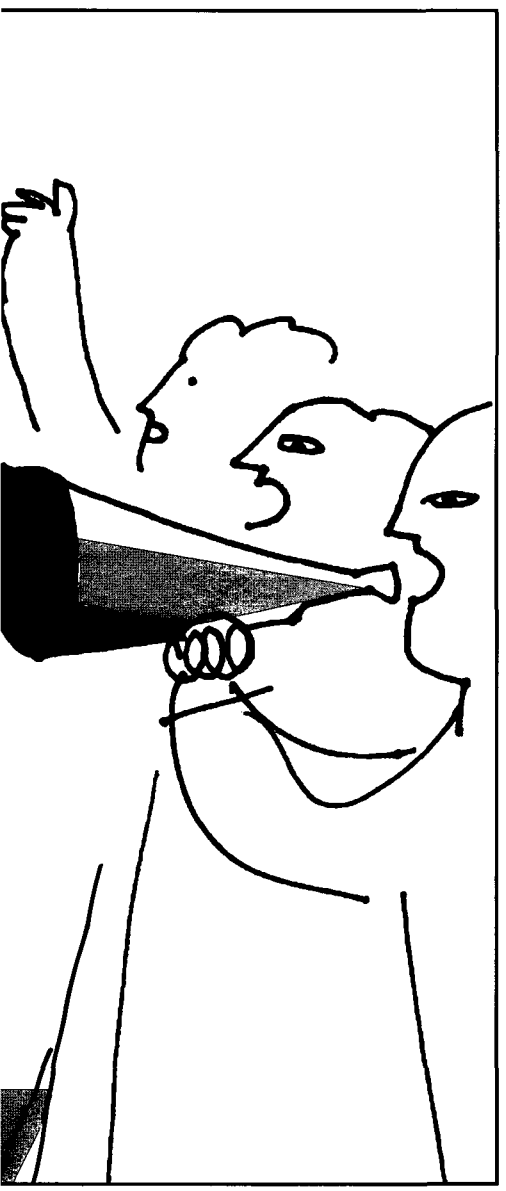

single large city. New York City accounts for 67 percent of its state's AFDC recipients (and 40 percent of its population). In Illinois 63 percent of AFDC recipients (but only 44 percent of the population) live in Cook County, where Chicago is located. Abolishing the federal entitlement to AFDC clearly leaves the fate of this heavily urban issue in the hands of state governments.

The time limits on AFDC would also hit big cities hard because long-term recipients are disproportionately concentrated there. In New York City, 52 percent of AFDC recipients are on welfare longer than 48 months, compared with 26 percent nationally. In Cook County, 38 percent of recipients are on welfare for more than 48 months. State reforms that cut welfare benefits are also particularly hard on urban residents because of the higher cost of living in cities.

The centerpiece of welfare reform—the requirement that recipients find jobs—also poses problems for urban areas. Unemployment rates in cities are typically higher than those in surrounding suburban counties. For example, in 1991 Chicago had an unemployment rate of 8.4 percent while rates in the suburban counties of Lake and DuPage were 4.6 percent and 4.8 percent, respectively. And cities have fewer entry-level jobs of the kind welfare recipients might hope to get. A recent study estimates that there would be six workers for every entry-level job in Chicago if all people now unemployed and on AFDC were to look for jobs. Of course many urban residents work in the suburbs, and welfare recipients too can be expected to look for jobs there. But they do not have the personal networks to link them to these opportunities, and the government programs that effectively do so are few and far between. Moreover, the transportation problems in many metropolitan areas are daunting: patterns of economic development in some metro areas, such as Chicago, show the most robust development in outlying suburban areas far removed from the poorest concentrations of city residents. And it is precisely these suburban areas that have fought to keep affordable housing out of their neighborhoods, limiting the housing possibilities for low-income workers.

In addition, the welfare reform law achieves much of its budget savings by denying or severely limiting aid to legal immigrants, who settle disproportionately in cities and urban counties. Legal immigrants no longer eligible for food stamps or Supplemental Security Income may impose formidable costs for urban counties and cities. For example, the California Budget Project estimates that 115,219 legal immigrants in Los Angeles County are now ineligible for SSI; 65,420 can no longer receive food stamps. Those in need may apply for general assistance, but the costs will be borne entirely by the counties.

Finally, big cities contain areas of concentrated poverty where cuts in welfare will have ripple effects likely to harm entire neighborhoods. As cuts endanger the ability of welfare recipients to pay rent and to patronize local businesses, whole neighborhoods face new instability. Abandoned housing and empty stores not only invite crime, but also pose a direct threat to the progress that neighborhood groups have made in recreating the social fabric of many poor neighborhoods once left for dead.

What Will States Do?

Devolving responsibility for welfare to the states will vastly increase their role in determining how—and whether—urban social needs are addressed. In the short run, states will have some room to maneuver financially because the new federal block grant formula is based on the larger AFDC case loads of the early 1990s. But by 1998—or sooner, if there is a recession—states will have hard choices to make about welfare reform. Can we anticipate what they will do? Three features of state politics are particularly important in shaping how states will respond to their new responsibilities.

The first is the new regional politics that has accompanied the decline in urban population over the past 30 years. Since the redistricting of state legislatures after the 1990 census, in particular, urban power in state politics has dwindled. New Republican strength in suburban and nonmetropolitan areas has blunted the efforts of cities to shift the mounting costs of social programs to the states. Many states have already reduced or eliminated general assistance, the state program of aid to able-bodied adults without children. For example, in 1992 Democrats in the Illinois legislature adapted to the ascent of Republican power by embracing fiscal austerity and distancing the party from

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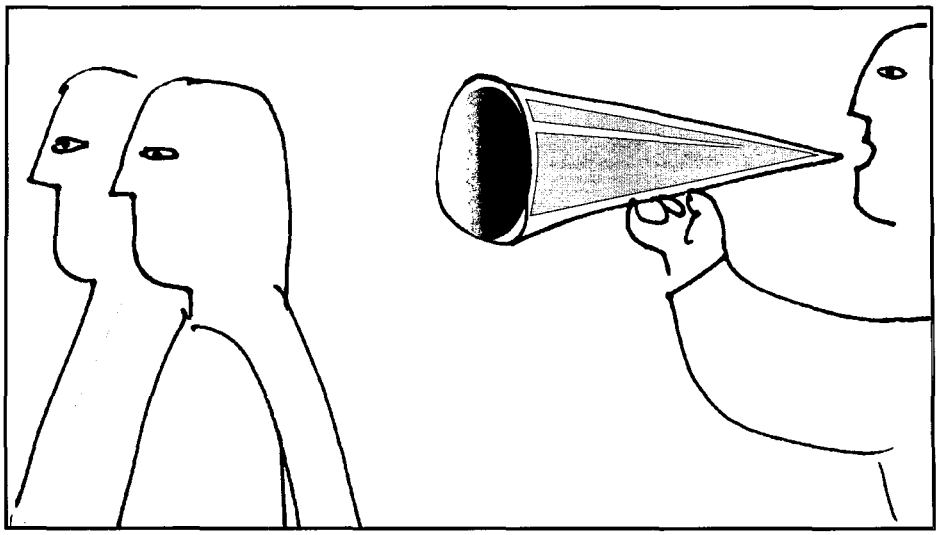
programs for the urban poor. The deep cuts made in the state general assistance program were particularly hard on Chicago, home to 80 percent of general assistance recipients. And in 1995 Republicans in the New York State Assembly seized on general assistance and AFDC as "wedge" issues to divide Democrats along regional lines. These regional and partisan dynamics in state legislatures, so unfavorable to cities, can be expected to fire up in the coming months as many states continue to redesign their welfare systems in the wake of the new law.

The second feature of state politics that will affect the response of states to cities and urban counties in implementing welfare reform is the rise of vigorous interest group politics in the states. The proliferation of interest groups in state politics reduces the influence of cities simply by creating more competition in policymaking arenas. As states have taken on more responsibility for social and economic development, interest group activity has exploded. Organized interests may also directly harm city and county finances by pressing for state measures that impose costs on them. And when resources contract, groups representing the poor do not have much clout. For example, in 1995 when a budget crisis in Los Angeles threatened to close county hospitals and medical facilities, a last-minute rescue by the federal government carried, as a condition of aid, the demand that the county reform its health system. But because of the network tying health care providers and organized labor to local politicians, the county's first step was to reduce general assistance grants to save money, rather than to overhaul the health care delivery system.

The third characteristic of state politics that will affect welfare reform in the cities is the pressures on governors to divert scarce resources into economic development. In the 1980s, writers like David Osborne touted the creativity of new approaches to state economic development that sought to make social and economic goals complementary. Among the hallmarks of the new programs were substantial job training, state funding for economic incubators, and research and development. Yet this approach proved harder to sustain in the tighter fiscal climate of the early 1990s, and many of its chief proponents were voted out of office. New governors have stressed tax cuts, subsidies, and reduced social spending as a way to attract new business to the state or even to hold on to existing businesses. Interest group pressures and federal regulations may slow this "race to the bottom," but as long as states engage in unbridled competition for business, the pressures to limit state spending on social welfare will be strong. Urban counties and cities will be left to pick up the slack or many poor families and children will be left unprotected.



The New Invisible Poor?

The biggest problem that welfare reform poses for big cities and urban counties is burden-shifting. But whether local governments are able to meet that burden or even want to accept it is another matter.

In the social policy framework enacted during the New Deal, the national government took responsibility for the population deemed most deserving, the elderly. Washington and the states shared responsibility for other categories of recipients: the temporarily unemployed, poor families, the disabled and the elderly poor. States were left with full responsibility for the group least likely to appear deserving of public assistance: the able-bodied working-age person without children. Over time the federal government assumed full responsibility for the disabled and the elderly poor by extending Social Security coverage. It also provided more assistance to all categories of the poor with a range of programs including Medicaid, food stamps, and child and family services. The new welfare reform law imperils cities and the urban poor not only because it limits federal aid, but because it recategorizes poor populations in ways that leave cities with a much greater burden. Work tests and stricter tests for disability are popular reforms that could nonetheless greatly increase the numbers of people branded as undeserving of assistance from either state or federal governments.

One danger is that when welfare recipients reach their time limits, they will simply rotate among programs, moving, for example, from social services to homeless and child welfare services, placing a greater burden on public coffers and posing enormous costs to the families themselves. But if cities and urban counties are left as the caretakers of last resort, they may use any new flexibility to deter prospective applicants from seeking assistance. Because mayors and county executives are ultimately responsible for the fiscal health of their governments, they may rely on deterrence strategies to shore up the bottom line at the time when the pressures on local governments are increasing. Most cities cannot raise tax rates for fear of provoking a further exodus of tax-paying residents and businesses. In New York City, one of the few local governments that must pay half the state's share of AFDC, the fiscal pressures are especially acute. When Democrats controlled the Governor's Mansion, New York Mayor Rudolph Giuliani sought to solve his fiscal problems by pressing the state to take over the city's share of Medicaid and AFDC. But after George Pataki's election as governor in 1994, the mayor reversed course, often arguing for deeper cuts

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The danger is that the new welfare reform law will create a new class of "invisible poor," uncounted in official statistics, but all too visible on our city streets.

in social spending than the governor. The mayor is now planning to present a legal challenge to the provisions limiting assistance to legal immigrants in the new welfare reform legislation. Urban counties, handicapped by their limited ability to raise taxes and confronted with new expenditures handed them by the states, may also seek to limit their exposure to the mounting costs of caring for the poor.

Will private charity pick up the slack? It seems unlikely. In recent years, local charities such as the United Way have seen an increase in the percentage of funds that are earmarked. Increasingly, these charitable donations are directed to suburban nonprofits, away from the city groups that often serve the neediest populations.

Once out of the social welfare system, former recipients become difficult to track. Yet keeping accurate count of the needy is essential if we are to understand how welfare reform is working. Like the underemployed and the discouraged workers who do not show up in our unemployment statistics, this new class of poor may become officially invisible, but their presence will be felt and seen in the nation's cities.

Does Reform Offer New Opportunities?

The risks of welfare reform are clear and present. Do the policy changes provide any opportunities to improve the life prospects of poor families in big cities? Under the right circumstances, welfare reform could lead to administrative and political changes that produce better services for the poor. But whether reform will work for, not against, urban families is ultimately a political question: will America face up to the problems that confront low-wage workers and their families in our society?

For decades, cities and counties have complained about the administrative difficulties of managing the different streams of federal and state funding. Limited resources have already impelled many cities to overhaul the way they administer social programs, promoting more collaboration and common problem-solving among city agencies. Welfare reform may well induce more collaboration and increase the effective deployment of resources. But one of the great barriers facing the urban poor is how to gain access to jobs and resources in the suburbs. States need to be much more aggressive in promoting regional solutions to the labor market problems that confront welfare recipients. The success of city job placement activities may well depend on developing cooperative ties for placement and training with adjoining counties.

If states are not simply in the business of pushing costs downward, cities and counties must have a seat at the table when policy changes are made. When the 104th Congress first made its proposals to substitute block grants for entitlements, lobbyists representing local governments were largely cut out of discussions. A survey by the National League of Cities in May 1995 found that only 22 percent of cities reported that their congressional delegation had consulted them about the consequences of welfare reform for the city. Only 14 percent reported that the state government had consulted with them. Over the intervening months, states have begun to consult more with local officials about coming changes. But county and city officials have not yet been included as full partners in deliberations about policy changes that states are contemplating. Cities and counties will have to lobby their state legislatures and governors more effectively if their interests are to be considered.

Ultimately, however, true welfare reform will cost money, a fact that the federal government and most states do not want to admit. In many big cities, some proportion of welfare recipients will not find jobs within the two-year limit. Current proposals to subsidize low-wage work may induce some businesses to hire former welfare recipients, but from what we know about how such subsidies have worked in the past, they are not likely to increase the supply of low-wage work. They may simply induce "churning" in low-wage labor markets. Placing welfare recipients in community service will provoke run-ins with municipal employee unions. These unions are often vilified for their protective stance toward city jobs, but it remains true that unionized public service jobs have provided a measure of security for low-income workers and allowed them to be stabilizing forces in many cities. While unions may be pressed to compromise on workfare, as they have in New York, undermining unions is not the answer to welfare reform. If we are serious about reform, we must begin to implement job training and job creation strategies. But even for welfare recipients who find jobs, the public task is not over. The current emphasis on "self-sufficiency" obscures the central fact that most families with low-wage jobs will continue to need income support and other social benefits, such as health care, that low-wage jobs typically do not provide. This is the task of the federal government, not cities or urban counties.

A National Responsibility

One of the central problems in building political support for policies that assist poor families is that such families are often viewed as undeserving because family heads do not have jobs. The transformation of AFDC into a work-based program could help engender broader sympathies for poor families and create a more favorable political climate for instituting a range of supportive measures that would assist all poor families. The political success of the Earned Income Tax Credit suggests that when work effort is not in question, it is easier to build support for assisting poor families.

Transforming the nation's system of support for poor families is a long-term project. Unfortunately, the new welfare law creates incentives for both Washington and the states simply to let cities and counties bear many of the costs of that transformation. This kind of devolution would be an abdication of national responsibility. The fate of the poor, especially poor children, is a national, not a local, concern. ■

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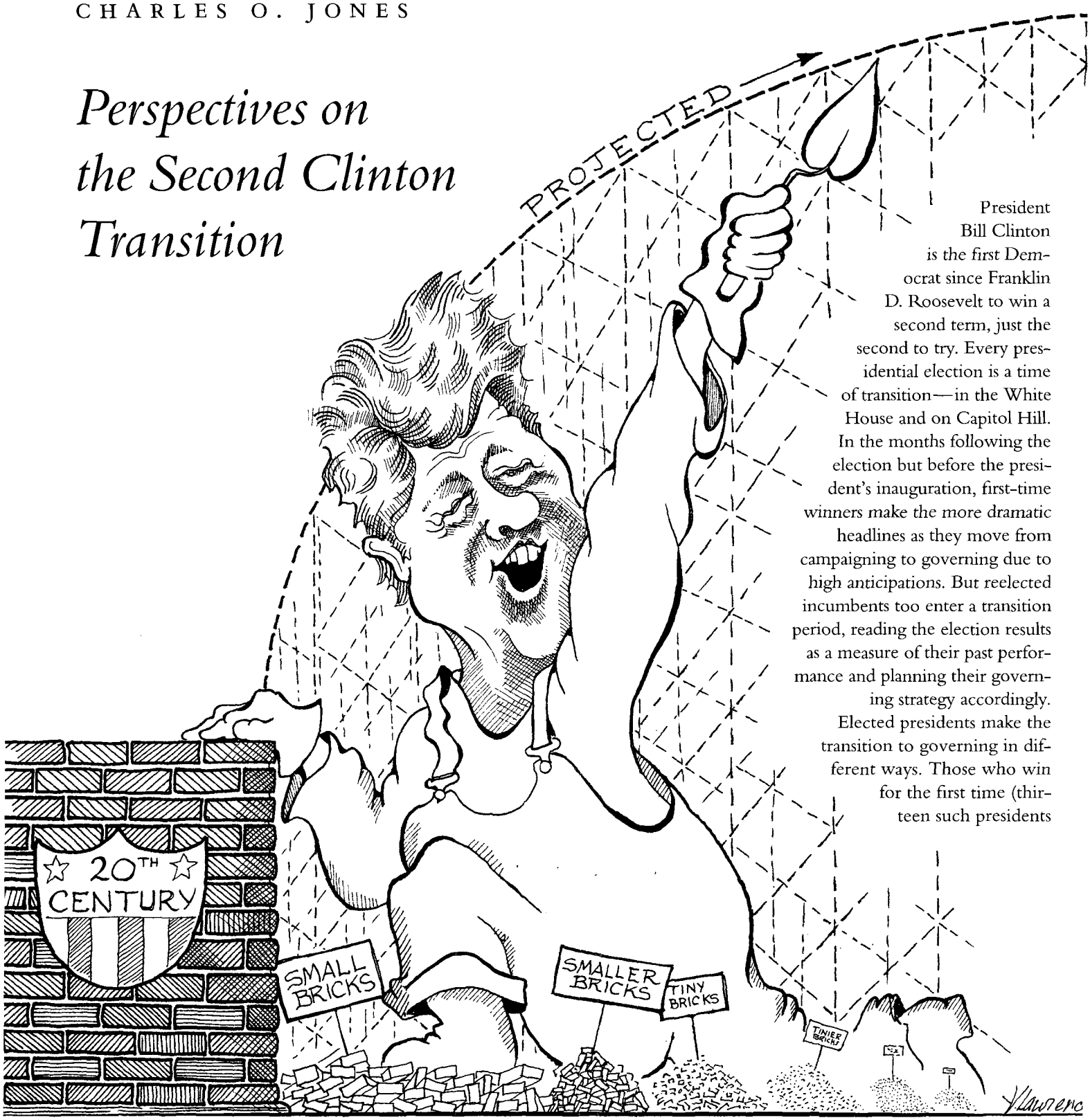
CHARLES O. JONES

Perspectives on the Second Clinton Transition



President Bill Clinton is the first Democrat since Franklin D. Roosevelt to win a second term, just the second to try. Every presidential election is a time of transition—in the White House and on Capitol Hill. In the months following the election but before the president's inauguration, first-time winners make the more dramatic headlines as they move from campaigning to governing due to high anticipations. But reelected incumbents too enter a transition period, reading the election results as a measure of their past performance and planning their governing strategy accordingly. Elected presidents make the transition to governing in different ways. Those who win for the first time (thirteen such presidents

FROM CAMPAIGNING TO GOVERNING

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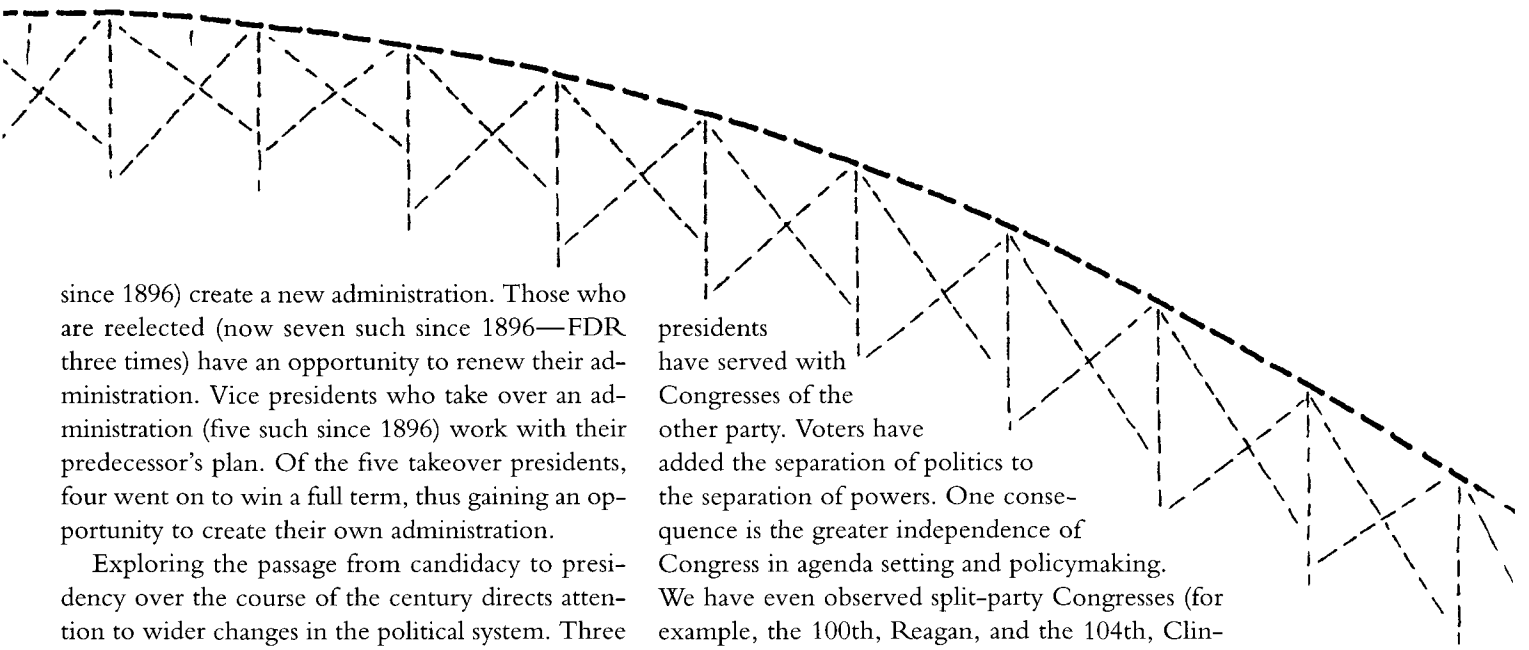

since 1896) create a new administration. Those who are reelected (now seven such since 1896—FDR three times) have an opportunity to renew their administration. Vice presidents who take over an administration (five such since 1896) work with their predecessor's plan. Of the five takeover presidents, four went on to win a full term, thus gaining an opportunity to create their own administration.

Exploring the passage from candidacy to presidency over the course of the century directs attention to wider changes in the political system. Three such changes are particularly noteworthy in the current transition: the shift in issues, altered congressional and presidential statuses, and the advent of the permanent campaign.

The Shift in Issues

We get the issues we earn. Failing to resolve major public problems over a period of time contributes to eras of government expansion, as in the 1930s and the 1960s. Such periods are typically followed by consolidative actions to make an expanded government work better, as in the 1950s and 1970s. In the most contemporary such cycle, the Great Society programs of Lyndon Johnson were followed by reorganizations and regulatory reforms in the Nixon and Carter administrations.

The seasoning of many New Deal and Great Society programs in the 1980s invited criticism of their effectiveness. President Reagan proposed contraction (or devolution); indeed, he all but forced it by cutting taxes and failing to reduce spending commensurately. We now have a debt-driven policy process that is inhospitable to large programmatic initiatives. Almost no legislation is now passed without "reform" in its title. The "merry" politics of giving has been replaced with the "nasty" politics of taking away, with neither political party anxious to take credit for reducing benefits.

Congress and the Presidency

Institutional change too is revealed in a review of presidential transitions over time. In fact, a system based on the separation of powers is constantly in motion. The post–World War II version features frequent split-party government—seven of the ten presidents have served with Congresses of the other party. Voters have added the separation of politics to the separation of powers. One consequence is the greater independence of Congress in agenda setting and policymaking. We have even observed split-party Congresses (for example, the 100th, Reagan, and the 104th, Clinton) seize the initiative and same-party Congresses (the 96th, Carter, and the 103rd, Clinton) frustrate presidential designs. In the doing, partisanship in the House and Senate has intensified, thus raising the stakes and promoting new strategies for making law under split-party conditions.

Less obvious, perhaps, but surely no less important is the changing role of the president. Traditionally thought to be the agenda-setter, he has had to settle for a more reactive role. The "good" president has been the so-called "active-positive" one, in James David Barber's classification. The FDR model lives. And so tests are devised for measuring how any one president stacks up. Yet conditions have changed. Active presidents may build an administration to fulfill positive goals, only to live out their White House years managing debt, a condition that reportedly surprised President Clinton shortly after forming his first administration. "Active-negative" presidents, on the other hand, may find conditions promising for building an administration aimed at contracting and devolving government.

The Permanent Campaign

Denied the realization of an imperial presidency, presidents-elect may organize their administration so as to suit a revised and still transforming mission. With expectations high, status weakened, and job approval tested constantly, presidents may yield to a more public-oriented strategy for enhancing status. It is within the public arena that they are judged and, increasingly, where policy debate takes place. Hugh Heclo observes: "Not just presidents but everyone with an active interest in what happens in Washington now engages in continuous effort to orchestrate,

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amplify, and inject the presumptive voices of the American people . . . into the formulation and management of national policy. This is the permanent campaign." Transitions for presidents as leaders of government are different from those of presidents as permanent campaigners.

The Traditional Transition to Governing

In a traditional transition, the president-elect moves beyond the campaign into governing. A theme for governing has usually emerged from the campaign. Pre-election planning is attentive to the tasks of governing, and the planning structure itself is a reminder that the campaign is a means to an end. After the election, the transition organization serves as an inventory of the new tasks. The president-in-waiting makes key appointments rapidly, usually beginning with the White House staff and moving on quickly to major cabinet posts. The press serves as a carrier, even enforcer, of expectations, notably willing to provide a "honeymoon" for an obliging new team.

The role of the president-elect varies according to the extent to which he has set a course for his presidency. If he is certain and unwavering about this purpose, he can be more withdrawn from the daily routine of organizing his government. Many newly elected presidents, including Nixon, Carter, and Clinton, tend to be overly involved in management. Presidents also vary in their public presence during the transition. Nixon and Reagan limited their appearances, and their statements were consistent with the dominant theme or declared purpose of their presidencies. Carter and Clinton, by contrast, played out their passage from candidate to president in public.

By the tests of the standard approach Nixon and Reagan had effective transitions. They played more or less by the book—not flawlessly, to be sure, but suited to the expectations of the Washington community. Carter's transition was judged to be less effective in its planning and execution, due primarily to the president-elect's outsider status and his determination to create his version of good government. Clinton's transition was roundly judged to be "the worst." It suited few of the standard recommendations. Those recommendations, however, may not be applicable in an era of permanent campaigning.

Campaigning to Govern

Is Bill Clinton formulating a new type of presidency, one suited to our times? He appeared ill-suited, uncomfortable, perhaps impatient, with the prevailing expectations for his presidency when he entered office. The first two years were clearly frustrating to this "active-positive" president seeking to make large change in a revised system. His most energetic effort at a campaigning approach to governing—the national health care proposal—failed miserably, though he traveled and stumped for it widely. During his first two years in office he visited 184 places, making 259 appearances, exclusive of foreign travel, vacations, trips to Camp David, and to Little Rock. Health care was the most frequent topic. The voting public's verdict on his newly created administration was resoundingly negative in the 1994 midterm elections. It seems that the campaign style is not well designed for promoting and enacting large-scale programs in a period of massive debt.

The president soon learned, however, that his more public style is well suited to split-party government in which congressional Republicans take the initiative in regard to unpopular, contractive issues such as Medicare reform. And so a campaign-oriented president continued his travels. During his third and through July of his fourth year in office, the president visited 177 places, making 236 appearances, with the same exclusions. His message: The Republican Congress is going too far on the big issues and I will stop them.

Yet no president wants to campaign only saying "no." Therefore, President Clinton developed a positive message in regard to lesser matters. He created a source of influence for the president in this new era of permanent campaigning. I call it "voice"—an impressive capacity to be with us as a presence through small issues— school uniforms, curfews, reading specialists, internet development, flex time, v-chips, 911 use, hospital stays—40 separate proposals in his acceptance speech in Chicago. As that speech went on, I expected him to announce a change in the school lunch menu of the Cleveland public schools—"got to get more fiber in those kids' diets."

This miniaturization of presidential power commands public attention and attracts a measure of acceptance, if not yielding what we ordinarily think of as prestige. Here is an activist president finding an outlet for his policy ambitions and a reason to visit with us regarding bite-sized problems we know well. The result is many sightings, if not exactly a vision.

And so the outline of a revised approach to presidential transitions may be emerging from the Clinton experience, one in which the standard moves toward governing and away from campaigning are less apt. Less attention is paid in the transition to taking charge than to adjusting to a different form of campaigning—aiming for policy support and higher ap-

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proval ratings. Political consultants, the "hired guns," don't fade away in this revised transition. They have new challenges. Pollsters don't return to old clients. Their data provide evidence for where and how the campaign is going, as well as which group is focusing on what. White House staff is as oriented to the outside for building pressure within than to the inside for generating a record to display without.

A Regenerated Presidency

I am less certain of what the transition to a second Clinton term ultimately will hold than to what a transition to a first term for Bob Dole would have entailed. My uncertainties regarding Clinton are these.

First, the Twenty-Second Amendment prohibits the president from running again. It is said that second-term presidents run for their place in history and therefore perhaps President Clinton will concentrate on governing from the White House more than from, say, California. Frankly, I doubt anyone knows how to run for history. Besides, as with President Reagan for George Bush in 1988, Clinton may view the 2000 election of Al Gore as a referendum on his record and campaign accordingly. But more than that, President Clinton is plainly more at ease in delivering his presidency to the people than permanently locating it in Washington. He has lamented that this was his last campaign. I observe that it is also his first since I detect no break point along the way.

Second, like all reelected presidents in the post–World War II period, Bill Clinton faces a Congress of the other party. However, Republican presidents were content to ask for less, veto congressional initiatives, and turn to foreign and national security issues. Bill Clinton has unmet policy ambitions, an impressive register of potentially damaging ethical problems, less interest and expertise in foreign policy, and little experience in bipartisan governing. Further, the second midterm election is typically the worst for a two-term president—the so-called "six-year itch." The president needs a strategy, beginning with this transition, to counter historical trends. Suffice it to say that presidents more popular than he is have had problems devising such a strategy. Further, as Norman Ornstein recently concluded, partisan acrimony, ideological distance, and bad relations between party leaders magnify the strategic challenge.

Third, the issues themselves introduce uncertainties. The continuing agenda includes items such as Medicare, Medicaid, changes in welfare reform, and balancing the budget that may be less susceptible to a campaigning style. Perhaps Republican majorities will relieve the president of responsibility for taking the initiative, but he does have proposals, and Republicans may be less anxious to be out front as foils in his "going public" strategy. The Senate Majority Leader, Trent Lott, said as much in his post-election statement. In the era of take-away rather than give-away, congressional Republicans will be anxious for the president to lead.

Fourth, we await the large number of appointments as key White House and cabinet officials announce their resignations. In his first term Clinton had the lowest turnover among cabinet secretaries (four) of any president since Eisenhower (three). But Eisenhower maintained continuity through the transition and into the next year. By contrast, Nixon exclaimed after his triumphant reelection in 1972 that: "We will tear up the pea patch," as he asked for mass resignations. Reagan also made several changes but with many reappointments—shifting people to different jobs.

What is unusual, and therefore uncertain, with Clinton is having so many resignation announcements just after the election. Most unsettling for our place as a world leader are the departures in foreign and national security policy—virtually the entire team, with no immediate announcement of replacements. Adding to the uncertainty is the issue of diversity, that is, whether the president will once again allow that goal to appear to displace the substantive policy experience and ability of fine appointments in their own right.

A New Kind of Transition

Conceivably the "bridge to the 21st century" is from an inside governing style, with periodic campaigns, to an outside governing style, with a permanent campaign. If correct, then many of the working assumptions about the passage from campaigning to governing are inapt. And Bill Clinton's transition in 1992 was not the "worst" but the "first" of a new form in which the president and his aides adjusted to a different setting for shaping and responding to public opinion. Much of that work will go on not in Washington, as traditionalists have grown to expect, but out there in the country, with visits from the president either in person or electronically. A strong case can be made for Bill Clinton having made this first transition—not in the standard post-election period, or in the first 100 days, or even the first two years—but during his first term, with an accelerated pace following the 1994 elections. The likelihood is that he will refine this approach to governing, not abandon it in favor of the more traditional style for which he is ill suited, with Vice President Al Gore at his side and prospective Republican candidates taking notes. ■

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E.J. DIONNE, JR.

Governing in an Age of No Majorities

Bill Clinton's Mission for a Second Term

What are politicians to do with an election whose mandate was, in so many ways, negative? President Clinton rebuilt his standing not by proposing bold new programs, but by promising to protect the country from the excesses of the Republican Congress. In the end, the Republicans hung on to Congress by presenting themselves as the people who would save the country from the excesses of unified Democratic government.

Most of the country did not, in fact, vote for divided government. Nearly 80 percent of the voters supported the same party for president and the House of Representatives, according to the exit polls. But neither party can claim a mandate for its policies. About half the country voted for President Clinton, half for Republican members of Congress. This is not so much a "moderate" country as a country evenly divided over the course it should pursue. The question, for both the president and the Republican congressional leadership, is how is one to govern under such circumstances? And if President Clinton wants to go down in history as a great president, how can he expect a Republican Congress to give him any help in his project?

One answer lies in the messages the electorate sent in this election. What, if anything, did the campaign settle?

It is obvious that the electorate reacted negatively to the first year of the Republican Congress. Clinton regained his standing by opposing the Republicans' 1995 budget, especially reductions in the growth of Medicare and Medicaid and efforts to cut back on environmental and worker safety regulation. However negatively the voters viewed the federal government in the abstract, they welcomed a substantial role in matters they cared about, particularly education and crime prevention. And voters were clearly upset with the shutdown of the federal government in the fall of 1995, a fact House Speaker Newt Gingrich has acknowledged.

This message, confirmed by polling from both parties, is why the Democrats, including Clinton, ran their M2E2 campaign—Medicare, Medicaid, education, the environment. It is why Republicans ran away from the 1995 budget fight and tried to build a "constructive" record in 1996 around one initiative they liked, welfare reform, and many that conservatives in their ranks didn't, including the higher minimum wage and the Kennedy-Kassebaum health reform bill. And it is why President Clinton was relentless in highlighting the crime bill and its promise to put "100,000 cops" on the street. Republican arguments that crime was essentially a local issue didn't work. Voters did not reject federalism as a general proposition. Rather, as William Galston, Clinton's former deputy director of domestic policy, noted, certain problems—crime and education notably—become so important that voters come to demand federal action.

So the clearest lesson from 1996 is this: cutting back on federal health and environmental programs will be difficult because voters want them. And voters would welcome further federal initiatives on crime and education.

For those interested in a balanced federal budget, this news need not be as catastrophic as some deficit hawks may think. The voters did not trust the Republicans' Medicare initiatives because they did not believe that their primary purpose was to "save Medicare." The voters remembered, and were reminded at crucial moments by both Bob Dole and Newt Gingrich, that many Republicans had opposed Medicare in the first place. The Republicans proposed a tax cut almost exactly the size of their Medicare cuts, which made it easy for Democrats to argue that the Republicans were cutting Medicare to pay for tax reduction. Poll after poll showed that given a choice, a major-

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ity preferred protecting Medicare to cutting taxes.

The issue now is what cuts are necessary to keep Medicare solvent for the foreseeable future. This points to a more modest approach that, in fact, matches the one Washington pursued during both the Reagan and Bush years. The Medicare cost problem will not find one grand, all-encompassing solution. It will be solved slowly but steadily as voters come to terms with the tradeoffs between what they want for themselves (and their parents and grandparents) and what they are willing to pay for. If the failure of the Clinton health plan pointed to a gradual approach to the problem of guaranteeing universal health coverage, the failure of the Republicans on Medicare points to gradualism in solving the Medicare cost problem.

On the environment, the lesson is equally clear: the country is proud of its achievement in cleaning up our air, water, and land. The Republicans were not wrong in thinking that the country might support more efficient approaches to ensuring a cleaner environment. They were wrong in thinking that voters thought the effort to clean up the environment had "gone too far." If there is any ground for common action here, it lies in pursuing effective but less intrusive approaches to regulation that rely on incentives for good environmental behavior. In this area, as in others, conservatives and liberals alike could usefully take a hint from some of Vice President Gore's "reinventing government" proposals. Conservatives ought to welcome more efficient and less intrusive government. Liberals should welcome efforts to make the federal government, whose role they rightly defend, more effective.

On education, a useful debate is possible only if some mistaken ideas that are held to as a matter of high principle are abandoned. Republicans are stuck on the notion that national education standards are a grave threat to local control of education. They have thus been wary of national action on an issue that is so clearly of national urgency. They would do better to admit that education is inescapably a national problem and then to argue over the best ways to structure the federal government's response. As Diane Ravitch, assistant secretary of education in the Bush administration and author of *National Standards in American Education*, wrote in the *Washington Post* last April, "National standards—not federal standards managed by the federal government—are a necessity in an advanced society." It is "naive," she explained, "to believe that each state should have different standards in science, mathematics, English, and other important subjects. . . . National standards are essential both for equal opportunity and for excellence."

This should be the starting point of the debate,

which then needs to take into account two insights, one from liberals, the other from conservatives. The liberal insight is that there is a grave inequality between the educational resources available to poor children and wealthy children—and that children from inner cities often need more help from the schools. The conservative insight is that many of our big city school systems are failing and that experimental and private schools are often doing better. Conservatives will make a better case for experimentation if they acknowledge the problem of inequality. Liberals will make a better case for providing more resources to poor children if they are more open to experimentation, including vouchers.

Finally the election might usefully remind the Republicans that the tax cut issue ain't what it used to be. Bob Dole's 15 percent tax cut did not fail because, as some conservatives contend, he lacked enthusiasm for the idea. It failed because the idea was not nearly as popular as conservatives hoped it would be. True, individuals usually like cuts in their own taxes. Ronald Reagan won the 1981 tax cut because the country felt it was in the midst of an economic catastrophe and was willing to try anything,

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including supply side tax cuts. But Republicans spent so much energy in 1995 convincing the country that the budget deficit was the most important thing that they succeeded. The country (correctly) didn't believe it was possible to have a 15 percent tax cut and a balanced budget without severe cuts in programs they liked. Republicans will be for tax cuts as far into the future as we can now imagine. But they need a less theological, and less expansive, approach.

The paradox of Clinton's 1996 campaign is that it was based on declaring that "the era of big government is over" and then on promising a rather extensive list of things that the federal government could do.

Lessons from the Campaign

And what of President Clinton? He, too, can usefully learn from the campaign, particularly from his own. The paradox of Clinton's 1996 campaign is that it was based on declaring that "the era of big government is over" and then on promising a rather extensive list of things that the federal government could do to (1) help individuals make the transition through a promising but worrying period of economic change; (2) help families cope with a new economy in which both parents are working; (3) make it easier for individuals to achieve higher levels of education and job training; (4) preserve popular federal programs—M2E2 again; and (5) take action on a series of nagging problems, ranging from high crime rates to the large numbers of Americans still without health insurance. Big government was over, but smaller government would do a whole lot of stuff.

Before discussing this contradiction, it's worth looking at the important ways in which Clinton succeeded in altering the political debate—changes that are likely to be enduring. The paradox is this: Clinton moved the political dialogue slightly to the left of where it was in 1994 by seeming to move (and in some cases moving) to the right. How can this be?

He did so, first, by taking issues that had traditionally been the province of the right and transforming them. Nowhere is this clearer than on family values. Until recently, family values had been a Republican issue because it was discussed primarily in terms of publicly declared moral positions. Clinton and the Democrats turned the question of family values into a matter of what government could do to assist families whose values were not in question, but who felt under pressure because of a new division of labor outside the home. With both fathers and mothers working more, they feel an acute lack of time to raise their children properly and worry that they are botching the job. Clinton used seemingly small but symbolically powerful issues—school uniforms, teen curfews, v-chips—as a simple declaration that he felt the anxieties of these families. On a larger front, he touted the family and medical leave law and proposed a modest expansion. Suddenly, "family values" was about concrete steps government could take—often steps that conservatives opposed.

Clinton moved with similar skill in taking the crime issue away from the Republicans and turning gun control from a losing issue into a winner. And by endorsing a balanced budget and declaring the "end of big government"—these *were* moves to the right—he turned the budget debate from an argument over whether to balance the budget to a matter of how. This made the campaign an argument dominated not by *attacks* on profligate, deficit-ridden government, but by a *defense* of the basic outlines of the social insurance state. Profligacy and deficits are not popular, but the social insurance state still is.

Similarly, Clinton endorsed tax cuts, but cuts with— as some Republicans pointed out—specific social purposes. The traditionally "conservative" vehicle of tax reduction was used for traditionally "liberal" purposes. Clinton's education tax cuts may not be the most efficient way to help people go to college, but they achieve this basic (and traditionally Democratic) purpose. Similarly, the child tax credit geared to low- and moderate-income families is redistributive and offers modest relief to parents feeling pressure to do more work outside the home.

Promises to Keep

Clinton's fundamental obligation in his second term is to prove wrong those who insist that his 1996 program was nothing but electoral fluff. That means, first, a serious effort to keep the promises he made: the tax cuts, the expansions in the parental leave law, the modest expansions in health insurance coverage. It also means, as Brookings' Tom Mann has suggested, transforming the rhetoric of the argument over federal insurance programs from a battle over "cutting entitlements" to a discussion of the reforms needed to save social insurance. There can be no denying that Clinton won the election as the defender of social insurance. He cannot, without losing all credibility, suddenly become an entitlement-cutter in the mode of Warren Rudman or Pete Peterson.

Paradoxically, this will put him in a far stronger position than most Republicans to rein in social insurance spending—though not by as much as the foes of the entitlements might like. Voters will accept economies in these programs provided they are proposed by politicians who support them. For this reason, Clinton needs to be wary of plans to change Social Security radically. Trims and reforms aimed at keeping Social Security viable—some additional means-testing, for example, or moves to invest some of the Social Security fund in private securities—are very different from radical privatization proposals aimed at fundamentally altering a system that, justifiably, enjoys deep popularity.

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Clinton will also need to keep his promise to revisit the 1996 welfare bill. His justifications for signing it notwithstanding, the bill clearly promises something—to put welfare recipients to work—without providing the means to achieve the promise. Having agreed to large cuts in welfare spending, Clinton will be hard pressed to convince a Republican Congress to spend more on the welfare poor. But that is exactly what he will have to do to meet the moral obligations of his own rhetoric. Supporters of the bill argued that once the federal entitlement was ended and welfare abolished, it would be easier to argue for additional spending on job creation and education for welfare recipients. Clinton needs to prove that assertion right. In going along, Republicans could demonstrate that they meant what they said when they insisted that their goal was to lift up, not to punish, the poor.

Both parties also need to put some substance behind their claims of concern about inner-city problems, including efforts to reduce teen pregnancy, to spur economic development in poor areas, and to strengthen neighborhood institutions and civic organizations. Democrats, especially Clinton, could usefully engage community-minded Republicans such as Senator Dan Coats of Indiana and former Education Secretary William Bennett in a serious effort to strengthen the local institutions that mediate between individuals on the one side and their government and the economic system on the other.

And it goes without saying—but it needs to be said—that Clinton should, this time around, keep his promise to push for campaign finance reform. He would have saved himself and his party a lot of trouble if he had pushed hard to keep his 1992 promise on this issue. He now has a powerful personal stake in a reform that, at the least, ends the existing system of uncontrolled "soft money" and guarantees candidates some free and cheap television time to reduce the pressure to raise outside money.

Above all, Clinton would do well to see his 1992 and 1996 campaigns as of a piece. Both campaigns, and most of the promises he made in them, were addressed to the opportunities and insecurities created by the global economy. The promise to expand health coverage was aimed at easing one major insecurity created by job-shifting and downsizing. His repeated invocations of education and training were a message that the government would help young people and middle-aged workers adjust to gain rather than lose ground in the new circumstances. His family rhetoric spoke to the moral anxieties created or deepened by economic change.

In policy terms, this means the president will have to return to the health care issue by proposing steady expansions of coverage—starting, perhaps, with universal coverage for children. He will have to be serious about education, which means taking on issues that make both liberals and conservatives uncomfortable. He will have to show that the job training and job transition programs he would expand have more promise than some of the earlier efforts in this area. And he will have to push for a much broader debate on how the rules of work should be changed, by law in some cases, to match the radical changes in the division of labor between men and women. Finally, he might do what he failed to do in his first term: create a firmer link between the effort to "reinvent government" in management terms and the need to define exactly what the federal government should be doing.

The Advent of the Sensible Deal

All this suggests agendas far more modest than either party would like, and an approach to problems far less radical than many in both might claim (quite plausibly) is necessary. It is not a deregulating, supply side conservatism. Nor does it propose profound structural changes in economic policy that many liberals believe are needed. It is more redistributionist than most Republicans would like, less so than Democrats would favor. It accepts a larger federal role than the one supported by Republicans, but it is no New Deal or Great Society.

But as long as power in Washington is divided by an electorate that is itself both split and somewhat ambivalent about exactly what it wants government to do, the New Modesty or the Sensible Deal may be the most expansive slogans available. If Clinton is to find his path to greatness, he may discover it less in grand programs than in success at transforming the political dialogue. The debate over "small" or "big" government is a dead end because voters have endorsed the largest parts of government, its social insurance programs, and the most "intrusive" parts of government, its role in regulating the environment and safety. The issues for now are how should a government of about its current size solve problems, and which problems are paramount?

If he can succeed, Clinton's most useful legacy may be to move a series of problems—health care, job training, education, strengthening community life, righting the relationship between work and family—to the center of the political argument. He could then spur a debate that might bear fruit not only during his own term, but also after. The president who declared the era of big government over could thus find himself bringing new legitimacy and respect to the federal government. That was, after all, one of his central aims in seeking the presidency. ■

Clinton's most useful legacy may be to move a series of problems—health care, job training, education, strengthening community life, righting the relationship between work and family—to the center of the political argument.

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ON THE CAMPAIGN TRAIL

A ROUNDTABLE DISCUSSION OF THE 1996 PRESIDENTIAL CAMPAIGN

On November 15, Thomas Mann and Stephen Hess, of the Brookings Governmental Studies program, hosted a discussion of the 1996 presidential campaign. Excerpts from the discussion follow.

The Party Conventions

TOM MANN: Some observers lament that the national party conventions have become so choreographed and packaged that they have lost their life blood. Others argue that they do precisely what they are supposed to do—present the parties in the most favorable light to a relatively large audience.

EVERETTE DENNIS: For decades people have been criticizing the party conventions as press releases for the parties, as utterly predictable and unworthy of TV coverage. To me the big surprise this year was the "discovery" of this anew. One shouldn't expect a lot of news from the conventions. Everybody knows that, but nobody has done much about it. Now it may become a rationale for little formal coverage of the conventions in the future.

TOM MANN: Conventions really haven't been decisionmaking bodies for decades. We probably have to go back to 1952 to find one where delegates were called on to make an independent decision.

GWEN IFILL: It wasn't so much a discovery, suddenly, as an admission. This year the conventions were so tightly scripted for television that we finally had to face up to it. We had to say we have no control over this, we're the cart, not the horse.

DAN BALZ: I think these conventions *were* different. In the past, conventions have tried to present the nominee and the party as they were but put the best face on them. In these conventions both parties tried to present themselves as they weren't. The week before the Republican convention the GOP platform fights put one party on display. Then every evening in San Diego a different party—more moderate, more oriented to women, more diverse—was on display. In Chicago on prime time the Democrats put themselves forward as a nonpolitical party, particularly the first two nights. But before prime time every night they put up kind of an old fashioned rally. This year the conventions were a charade.

PAUL TAYLOR: The parties felt they had to put on television shows and airbrush the real politics. Viewers sensed that. Paradoxically, by "Oprahfying" the conventions with Christopher Reeves and Liddy Dole, the parties drove the viewers away. It's troubling because the conventions are one of few moments in our national political cycle when we all draw up our chairs to the TV at the same time and participate in the same ritual of democracy. Now we may be on the verge of losing the conventions as a shared national experience. I hope people put some energy into thinking about how to recreate and reinvent them in ways that allow for real politics.

ELIZABETH ARNOLD: I also think it's troubling if we're on the verge of losing our conventions. If viewers tuned in long enough or tuned in during the acceptance speeches, they got a good glimpse of what the campaign was going to be about.

STEVE HESS: Really we're talking about television and the conventions. Newspapers and radio can find lots of things to do with them. The politicians who are there are happy to be there. The conventions are

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televised. Why be surprised that the parties respond by trying to put on a television show? Now that they have, the networks say, "Oh, there's nothing there; let's cut it back." Between now and 2000 there had best be a negotiation about exactly that. The parties can do their work in three days. Maybe they say, okay, we do it in three days and you give us two hours a night instead of one hour. Everybody comes out ahead.

BILL ADAMS: It's ironic that some people have been thinking so hard about how to get free TV time for the parties so they can communicate and here we are deploring this opportunity they have. On the nightly news, candidates are chopped back to nine-second sound bites. Here's a chance to get past these sound bites and let the candidates communicate with the public. Why not reconceptualize the conventions not as breaking news but as an opportunity for the parties to have some of that air time to present their message to people unfiltered? It's anathema to journalists to give that hour to somebody else to set the agenda. Over a third of the convention coverage was journalists talking to each other.

EVERETTE DENNIS: The parties are asking for free time and unconstrained access to the American people, and the news media are saying no.

TOM MANN: The networks are not just supposed to report news. They're supposed to carry the parties' proceedings to serve some other purpose. You'd almost like to separate it, to provide some chunks of time so the party can present itself to the broad audience and don't mix that up with the business of the networks.

STEVE HESS: There's a question of etiquette too. I'm not offended when a network breaks in to have David Brinkley rather than a backbench senator, but when a former president of the United States is interrupted or not seen because somebody thinks that Sam Donaldson is more important, there's something distasteful about it.

GWEN IFILL: I don't disagree. It's a question of news judgment, just as in any news organization.

ELIZABETH ARNOLD: In some sense, though, it's not fair, because a newspaper's decision not to cover the former president's remarks is the same. It's just not as obvious.

PAUL TAYLOR: We have there a clash between two great titans, the political culture and the TV culture, both dealing with declining audience and sort of elbowing each other on the way down. It's not a pretty sight. I don't think that these conventions are best preserved by thinking of them as free time. When the two great parties convene for a couple of days before a national election, that's newsworthy. They need to survive as newsmaking events.

DAN BALZ: Would shortening the conventions begin to do that?

PAUL TAYLOR: Yes, as TV events they are two- or three-night events. Much of the talk and punditry during the conventions is driven less by news value and more by marketplace values. The networks need to display their people because they're their tickets to ratings.

DAN BALZ: I don't think people tune into conventions to hear a lot of analysis.

TOM MANN: Discerning consumers of information about the conventions have a rich menu to choose from. They can see the actual proceedings on C-SPAN. Detailed information is available, print and broadcast. The problem is that the public isn't much

interested. We're talking about all the accidental viewers, the inadvertent viewers. We're worried about what they see. Increasingly they see less and less of what they need to be intelligent participants in the election. Ninety-five percent of the criticism is directed at the stuff of the inadvertent viewer. We spend almost no time talking about the rich material that's there if you go to the trouble to find it.

The Polls

TOM MANN: My impression is that tracking polls are driving coverage. A little blip of a few percentage points opening or closing from an overnight sample of 250 becomes the stuff out of which stories are written. Have polls gotten in the way of campaigns?

BILL ADAMS: Since Tom Patterson wrote his book, *The Unseeing Eye*, it's been obligatory for all political scientists to deplore the media obsession with polls,

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so let me state for the record that I too deplore it. It's bad for democracy, distorts the process, diverts attention away from the policy questions that the elections ought to be about. But this year there is something else to deplore. For the first time in my lifetime we now know that the polls that were being reported night after night, day after day were systematically wrong—off by 10 points.

TOM MANN: Or it could be that the campaign closed in the last two weeks.

BILL ADAMS: The last CBS–*New York Times* poll had Dole and Clinton 18 points apart, so that argument doesn't fly. Ten points off. That's unprecedented. I teach graduate courses in applied statistics and research methods. I defend polls all year long and explain to people they're reliable. So this is perplexing.

STEVE HESS: Would the coverage or the public attitude toward the election have been any different if we had known that it was that close all along?

BILL ADAMS: We'll never know.

DAN BALZ: Let's be realistic. I think your point is right, that the polling margin that people were consistently reporting, the 15–20 point spread, may not

have been reality. It may have been that reality was 10–15 points. But I'm not sure whether a race in the 10 or 12 range would have been covered differently than one that seemed to be in the 15-20 point range.

EVERETTE DENNIS: For years now people have said that the refusal rate is so high the polls are getting less reliable.

STEVE HESS: Maybe we could start a campaign: "just say no." I am offended by money spent on polls by media organizations that must have better things to spend it on even if it's just shareholder profits. Very few people are interested except the people doing the polls and the rest of us political junkies.

TOM MANN: I thought the *Washington Post* in collaboration with Harvard and the Kaiser Family Foundation did some really interesting stories based on polling material. I see signs that the media is trying to make more creative, thoughtful, substantive use of polls. We should encourage that.

EVERETTE DENNIS: One thing that's still lacking in polls is any discernible effort to evaluate their quality. Some must be better than others. There are lots of different polls, some by ideological organizations, but they're all treated pretty much the same. Ordinary people don't have any way to judge.

Campaign Advertising

TOM MANN: Paul, I've heard you say elsewhere that roughly 750,000 political ads ran this year.

PAUL TAYLOR: Yes, the political culture raised a record amount of money to put on a record number of political ads so that a record number of Americans would stay home on election day. That sounds like a paradox, but it is not an accident. Political advertising shrinks the electorate; that's what it's designed to do. As more money rushes into the system, more voters rush away.

TOM MANN: Did any of you find when you were on the road that the ads on TV and radio were utterly divorced from what the candidates themselves were doing?

GWEN IFILL: I did. When I was in Louisiana for the Senate race, both candidates came across as being reasonable, approachable, and nice people in person and on the stump. Then you turned on your TV at night and felt assaulted by their ads.

ELIZABETH ARNOLD: I did too. When I talked to people in Ohio about Dole and his negative campaign, they didn't know what I was talking about. Then I specifically asked, "What kind of ads are you seeing?" They all began talking about the drug ad and how negative it was. People seemed to have two distinct views—on the one hand, what they saw of the candidates in the debates and, on the other hand, what they saw on the television ads.

TOM MANN: One reason for that is that so many political ads this year were independent ads, both party independent spending and soft money–funded ads in issue advocacy, all of which had to be independent of the campaigns themselves.

PAUL TAYLOR: One almost certain effect of the outside groups getting more and more into direct advertising is to nationalize these races.

DAN BALZ: And make them more negative. It's interesting to me that the post-election polls are finding people saying they don't think this campaign was so negative. I thought it was quite negative.

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Clinton ran systematically two different campaigns: the sunny campaign on the stump and a relentlessly negative one on TV, with an unprecedented amount of money. Most of the independent advertising I saw was negative, and most of the candidate advertising in any race that was competitive was also negative.

PAUL TAYLOR: The overwhelming majority of Americans are deeply cynical about their politics. You have a limited amount of money to appeal to the overwhelming majority. You can spend it saying nice things about your guy and run into this wall of cynicism, or you can spend it saying nasty things about the other guy. The negative ads thrive on the cynicism they create. There is a feedback loop, a classic vicious cycle. And for what Tom described as the inadvertent viewers—who are now the majority of the country, the 51 percent who didn't vote, who don't watch the conventions or even the news—this is the way politics intersects with their lives. It reinforces all their reasons for not wanting to participate. Campaigns come along and tell them, "Don't get involved; this is our message to you." This is how candidates win elections—by persuading the opponent's supporters not to vote.

EVERETTE DENNIS: I think the ad watch campaign this year has been a positive development across newspapers, magazines, television. And the theme of the ad watches is essentially "Be careful about deception, don't believe the ads." It's to the credit of the media that they are raking in money from advertising and at the same time warning people about it.

STEVE HESS: *The Harvard International Journal of Press/Politics* has an article showing that 50 percent of the network ad watches had no analysis at all. They basically repeated the ad.

DAN BALZ: I think (without having a lot of evidence) the ad watch program had a year of backsliding. If there's an egregious factual error, that'll be pointed out, but ad watch doesn't condemn negative ads, partly because the sheer volume of ads this year has overwhelmed news organizations.

Press Coverage

GWEN IFILL: One way coverage of the campaign improved at NBC was our sound bite quotient. It improved precisely because we began to do in-your-own-words kinds of spots. We were less open to criticism than in past years about not letting people hear what the candidates were actually saying.

EVERETTE DENNIS: It wasn't innovative, but a great strength of almost all the coverage, particularly in newspapers, was the continuous issue inventories: where the candidates stand on whatever the issue. There was great detail, page after page, with good graphics, very readable.

BILL ADAMS: No discussion of media coverage is complete without at least a brief mention of the perennial issue of partisanship in coverage. This year Robert Lichter's Center for Media and Public Affairs, which in the past has often found coverage to be relatively balanced when you factor out horserace coverage, is reporting that 50 percent of Bill Clinton's network coverage was positive and only 33 percent of Bob Dole's was positive.

TOM MANN: Part of that is the favorable economic news. When an incumbent president runs for reelection under conditions of prosperity, it's hard for there not to be a lot of positive coverage.

In 1992 there was lots of excitement about alternative media, particularly talk radio. What did the world of talk radio look like in the '96 campaign?

BILL ADAMS: I think people wildly exaggerated talk radio's impact on the '94 campaign, and those who say it had no effect whatever in the '96 campaign are also probably wrong. It's a small but significant part of the media equation. Steve Forbes used it heavily to help establish credibility in the Republican base. Talk radio treated him as a serious candidate months before the mainstream press did. Pat Buchanan used it heavily, but the conservative radio talk show hosts who might have been expected to march in his army in fact used their audience to discredit him. A lot of talk radio hosts are libertarian. For them Buchanan is the worst of all possible worlds, economic and social protectionism. People like Rush Limbaugh deprived him of a legitimacy he desperately needed at a crucial part of the primaries. Talk radio is likely to be at its zenith during the Republican primaries. It's also probably going to be more powerful in off-year elections when turnout is lower. As the campaign went on,

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radio hosts vacillated between anger and frustration at Dole's ineffectualism and the desire to rally the faithful to him.

GWEN IFILL: You could hear it in a single Rush Limbaugh broadcast. In the morning he'd say, "I don't believe what Dole did yesterday," and then Dole would call and he'd say, "Hey, how'ya doin'?"

EVERETTE DENNIS: One thing that was missing this time was the use of daytime talk shows and variety shows by the candidates.

DAN BALZ: That's one of the big failures of this campaign. In '92, with some exceptions, you got real questions and real answers out of those programs. You got none of it this year. Clinton didn't want to do it, Dole didn't want to do it. So they didn't do it. But it was to the detriment of the process.

EVERETTE DENNIS: Cyberspace services were busy. They didn't reach many people, but they were out there doing things, and every candidate was on.

PAUL TAYLOR: What is the impact of all the traffic?

EVERETTE DENNIS: Very little. But it set a precedent and it could expand considerably as some of these young users get to be voters. I heard it was effectively used in local campaigns and by news consumers and voters to find out more about the views of candidates who weren't being covered by local papers, such as state legislator.

DAN BALZ: What impressed me was how fast it went from a few sites with a pretty crude level of information to a huge number of sites with very sophisticated information. In 15 months that market totally transformed itself.

STEVE HESS: The Doles and the Clintons have the elaborate websites. The poor independent candidate is not going to be able to have the elaborate interactive web site.

PAUL TAYLOR: My sense is that the rich get richer from the audience side. The gulf between the information haves and have-nots is getting ever wider.

TOM MANN: Paul, on free television, what was tried and what was accomplished?

PAUL TAYLOR: It was a small step in the right direction. The networks to their credit did come forward with some blocks of time. The candidates' use of the free time slots was pretty tame, standard fare for people who were paying attention, but the content analysis shows it was more accurate, more substantive, more forward looking than, certainly, paid political advertising or the sound bites that appear on the evening news. I had hoped that giving the candidates a few minutes' access would let them drive home a message and engage in a running debate. That didn't happen, but free time did get a foothold. As it works its way into the political culture, candidates in different cycles with different dynamics and different tactical situations can be more adventuresome. I also hope it can move beyond the presidential race to congressional and local races. Those are where it's needed most. And the one piece of good news out of 1996 is the collapse of the campaign finance system, which creates an opening for some legislation, and free time, I hope, will be in it.

Presidential Debates

TOM MANN: In some ways the debates should be the centerpieces of the campaign after the conventions, the main opportunity for a big national audience to see the candidates outside of their set speeches and campaign ads. But viewership was down.

DAN BALZ: I thought the formats were good this time. We've now institutionalized the town meeting format. I like the single moderator. What was lacking in this time as opposed to last time was freer engagement back and forth. We need to figure out how to get a running dialogue. We're now institutionalizing the two or three presidential debates, one vice presidential. I think it's working.

STEVE HESS: There should be and probably will be a lot of discussion about the formats we now have. We now have several, there's no reason we can't have more. We have heard lots of comments about everything from having a theoretical case study presented to the two candidates, to having them face off against each other, to getting rid of the 90-second and 60-second bites. There's a lot of room to improve the debate, it's still very stilted. Don Hewitt wants to have it in the House chamber followed by a true question period between the parties. ■

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The Lessons of Somalia for Eastern Zaire

BY TERRENCE LYONS

"No more Somalias" has become shorthand for the perils of humanitarian intervention. Like earlier slogans—"no more Munichs," "no more Vietnams"—the catchphrase implies a set of lessons learned and perceived implications for future policy initiatives. The conventional wisdom is that U.S. intervention in Somalia failed because "mission creep" led U.S. forces to adopt a "nation-building" mandate, thereby miring the operation in local political disputes. The policy implications are clear: Washington should avoid intervention whenever possible and restrict involvement to short-term, nonpolitical humanitarian initiatives when public pressures demand some kind of action.

But the conventional wisdom is wrong. It reflects a fundamental misunderstanding of the lessons of Somalia and risks denying U.S. policymakers opportunities to address the underlying political causes of humanitarian emergencies. The Somalia operation failed because it lacked a coordinated strategy to initiate the reconstruction of political institutions necessary for a sustainable solution. The error was not that the operation was too ambitious and became diverted from its humanitarian mandate but that it was insufficiently political from the start.

The fear of becoming involved in politics has led Washington to insist on mandates limited to humanitarian goals. But there is no such thing as a purely humanitarian military intervention. The presence of thousands of foreign troops inherently will transform the relative balance of forces on the ground and alter local actors' behavior. The misplaced fear of nation-building has led U.S. leaders to place blinders on their understanding of humanitarian crises and the role military intervention can play. Rather than banning discussion of the political consequences of intervention, a strategy that links military, diplomatic, and humanitarian actions must be one of the first questions considered.

The necessity of linking a political strategy to a humanitarian intervention is illustrated by the current crisis in eastern Zaire. International humanitarian actions in 1994 played a critical part in allowing Hutu extremists to take control of huge camps in Zaire along the Rwandan border. These camps, filled with refugees intimidated into staying as a human shield to protect the Hutu perpetrators of the 1994 genocide, threatened regional security. The failure to address the underlying political causes of the 1994 crisis led directly to the humanitarian crisis of 1996.

Even if scaled back, a plan to introduce foreign troops into central Africa will change the balance of power among parties in three countries—Zaire, Rwanda, and Burundi—with important implications for Uganda and Tanzania. A decision to use the intervention to protect relief corridors and assist repatriation will have very different long-term political consequences from one designed to establish safe havens for Hutus in Zaire. Insurgent Banyamulenge (Zairian Tutsis) will try to use the intervention to win international recognition for their zone of control in eastern Zaire while the government in Kinshasa will insist that the intervention respect the state's sovereignty.

The recent return of a large number of refugees may permit the United States to avoid military intervention in eastern Zaire. But the need for a coherent strategy and active engagement by the United States and its allies will remain. The political transition in Zaire, as its longtime leader Mobutu Sese Seko remains ill in France while a timetable for elections develops, requires particularly delicate but forceful attention. The Banyamulenge need to be assured their citizenship rights in Zaire. In Rwanda, the international community must help resettle the refugees and carefully monitor conditions within Rwanda. Support for the UN War Crimes Tribunal for the perpetrators of the 1994 genocide must be made effective, and generous assistance to the Rwandan government to rebuild its judicial institutions is necessary. In Burundi, regional efforts led by former Tanzanian president Julius Nyerere to pressure the military government to return to democracy and power sharing deserve our support.

These tasks may not require military intervention today, but more U.S. attention now may well prevent another humanitarian crisis and another difficult debate over the deployment of U.S. troops later. President Clinton's insistence that "the world's most powerful nation must not turn its back on so many desperate people and so many innocent children" continues to apply even after the immediate emergency has abated. The current crisis offers us another chance to learn the real lessons of Somalia and accept the necessity of sustained engagement guided by a political strategy. ■

Terrence Lyons is a research associate in the Brookings Foreign Policy Studies program.

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Professional Management

BY MARTIN MAYER

Martin Mayer is a guest scholar in the Brookings Economic Studies program. He is studying the crisis in the professions and seeking proposals to improve the effectiveness and efficiency of professional performance in an information-rich society with egalitarian pretensions. His most recent book is The Bankers: The Next Generation.

About this time of year 30 years ago, a new math teacher in a junior high in East Harlem began giving up his lunch hour to tutor some of his students. He was taken to task by his colleagues, who warned him not to make them look bad.

I was then chairman of the local school board covering most of the East Side, and I called Albert Shanker, then president of the New York City teachers' union, to ask his help.

Shanker, who had been a math teacher himself, sighed and said, "The leader of the chapter there is a nasty guy. But I'll see what I can do."

A few days later I got a call from the teacher. He was no longer being harassed. Indeed, a couple of other teachers had joined him.

Emboldened, I called Shanker again two months later, during the skiing season. The new union contract had given teachers a new right: to take up to five days of paid sick leave a year without a doctor's certificate. Phone calls were coming in from Vermont on Monday mornings to tell my principals that teachers were sick and wouldn't be coming to work.

This time Shanker was unsympathetic. "Martin," he said, "Do you remember Miss Groll, our second-grade teacher?"

"I didn't go to school with you, Al," I said obtusely.

"Everybody had a Miss Groll," he said. "She used to boast that she'd never missed a day in 37 years. Remember? Well, you know what happened to Miss Groll? She died. I don't have her in my membership. The right to take sick days without a doctor's certificate is the most popular benefit in the new contract. If I backed away from it, they'd throw me out."

Those are, roughly, the parameters of leadership in a teachers' union. We'd like the kids to do better, we really would, but don't touch our perks. Thirty years ago, among people who liked to describe themselves as "professionals," only teachers would have been represented in this fashion. Teaching wasn't much of a profession. Principals gave orders to teachers. Indeed, the opportunities for petty tyranny in schools had made formal grievance procedures necessary to protect teachers from principals, superintendents—and parents. And you don't get effective grievance procedures without unions.

But the partisan flap this past fall over the role of teachers' unions in the misery of American schooling raises the great *organizational* issue of our times: how can a modern society, deeply dependent on its professional class, assure itself that professional work—law, medicine, architecture, accountancy, engineering, teaching—will be done skillfully in the right quantities for the right reasons at the right price?

Traditional trade unionism, with its emphasis on us-versus-them, does not fit well with any profession. Neither does market-based bookkeeping, with its emphasis on maximizing profits and shareholder value. Professionalism demands emphasis instead on "best practices," a phrase that comes to America from the Audit Commission that vets the performance of local government in Britain. Neither middle management nor the marketing department cares much about best practices.

Professionals are presumably proprietors of a mystery—they know and can do things other people don't know and can't do. Professional work must be judged not by results, but by the quality of the input, and only fellow professionals are qualified to make such judgments. Members of a profession train their successors, in the old days by apprenticeship and now in professional schools, and they write and mark the exams by which people get licenses to practice.

Accepting these licenses, professionals presumably accept rules that proclaim fiduciary duties to those they serve. And professional organizations are supposed to enforce standards of quality and ethics in their membership.

This has never worked precisely as advertised: Bernard Shaw once observed that all professions are conspiracies against the laity. Until recently, however, professionals felt at the least a steady current of obligation to their patients, pupils, clients. Now they find themselves slotted into profit centers and bureaucratic boxes and deprived of autonomous powers of decision. Instead of currents of obligation, they feel the undertow of the bottom line. Representing them, their associations abdicate responsibility for the quality of their members' work and the probity of their behavior.

Obviously, teachers and their unions are not why American education is troubled, but the political effort to pin this tail on this donkey may have a salutary effect. Abandoned to market pressures and "management," all our professionals will eventually, like the teachers, find somebody else to blame—the budget, the home, the media, society. Nobody, I think, wants that. ■

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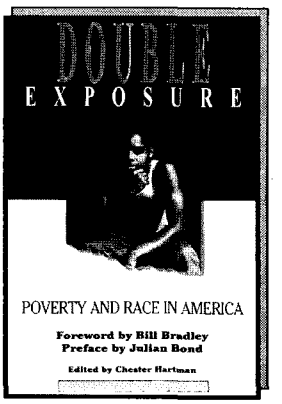

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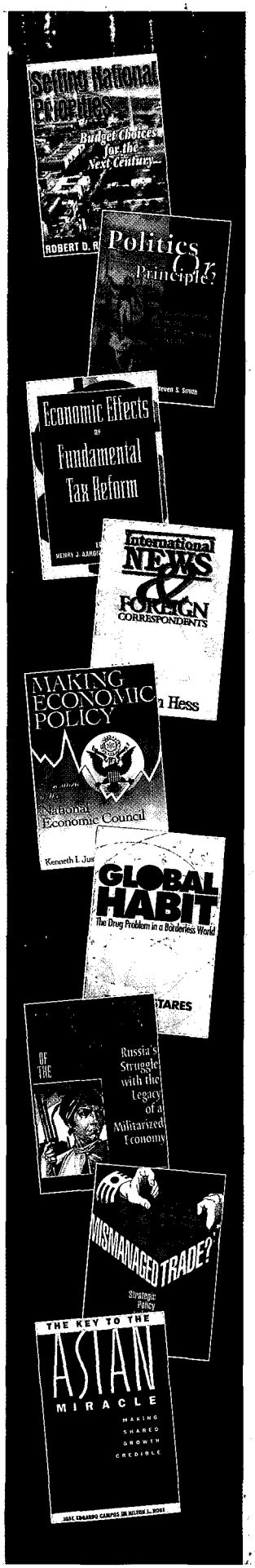

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